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West Europe Report

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U.S., NATO, PACT EXPERTS PROBE SECURITY ISSUE SPECTRUM

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 27 Nov 84 p 8

[Report by Jan Reifenberg: "NATO, Europe and the Germans—Strategic Facts and Wishful Thinking—An Aspen Conference"]

[Text] Can Europe develop a security system of its own to replace the one now provided by the Warsaw Pact and NATO, thereby bringing detente back to the old continent? Has the uneasiness caused by the 4-year-long confrontation between Washington and Moscow increased to such an extent that a new definition of the security concept might emerge in Eastern and Western Europe? These two questions were the subject of a meeting which brought together a group of experts from the United States and from Western and Eastern Europe at the Aspen Institute in Berlin.

The participants were able to agree on only the most general of formulas. There still is no doubt about the fact that the necessary political will—above all on the part of the two superpowers—to bring about a change in the existing structures is lacking. The fear of the consequences of a military confrontation in the heart of Europe—which, given the objective and technological situation at this time, could only come about as a result of some fatal error—as well as a general feeling of discomfort—above all among Moscow's Warsaw Pact partners—about the lack of progress in expanding on the commitments agreed upon almost 10 years ago in the Helsinki Final Act are not enough in themselves. One thing became clear despite all the assurances that the situation might **improve even prior to lowering arms outlays**: Neither Washington, nor Moscow feel there is a need at this time to replace the existing alliance systems with new ones in view of the fact that these have been responsible for the longest era of peace in modern European history in spite of whatever disadvantages they may have. Any new system, they feel, would tend to undermine parity—however rough—both in conventional and nuclear arms.

It was also interesting to see the French participants insisting on continued strength for NATO as well as continued French independence in the development and possible use of its national nuclear force. In back of this no doubt is French concern regarding possible German "uncertainties." Paris would be among the first to raise a hue and cry in case the FRG displayed an increasing tendency toward neutralism.

There was one topic that dominated the entire discussion: uncertainty about the ways in which President Reagan would approach the major arms reduction issues with the Soviet Union during his second term in office. A representative of the National Security Council—which is the real leadership in Washington—reiterated the President's strong desire to make progress in this area. It was Reagan's hope, he said, that his already known proposals for the reduction of strategic long-range weapons, for the removal of the threat to Europe through medium-range missiles and for an expansion of the "confidence-building" measures could now be enlarged upon. The plan for umbrella talks about the entire arms spectrum was intended as a serious offer. To be sure, America would not make any concessions in advance such as giving up its plans for an anti-satellite system and an effective defense in space. But it is prepared [the NSC representative went on to say] to negotiate about the reduction of all risks in the nuclear and conventional field for the sake of maintaining strategic parity. The goal would have to be "objective stability." A relaxation of tensions would only be possible, if both sides were aware of the fact that there was genuine parity in deterrent capability—i.e. that any threat would be met with the counter-threat of raising conventional and nuclear options—where the political will to put an end to the conflict could not be ruled out in advance by means of a first strike or of uncontrolled escalation. There was no point [he said] in resorting to handy publicity formulas. The idea was to start out with the strategic facts and not to resort to wishful thinking.

No one disputed the fact that the German question continues to occupy a central position in regard to European security. And a young member of the West Berlin "Alternative List" must have been somewhat dismayed to hear both East and West unanimously rejecting his ideas of a "popular movement" to undercut the sterility of the military security systems. The ideas propounded by participants from Yugoslavia, but also from Hungary and Romania dealing with various schemes to neutralize Central Europe were met with equal skepticism. It was clear that the underlying idea was, in the final analysis, to designate Germany as a factor of both political and strategic insecurity—a situation which neither its Western, nor its Eastern neighbors would tolerate; a fact which came out in the laconic statement by a representative from the GDR who said: "The other (Western) German state will become socialist." No one was really able to say what the initial neutralized zone to include Switzerland, Austria and Yugoslavia would look like in earnest.

Without a doubt, such ideas are a reflection of the profound uneasiness with regard to the continuing East-West confrontation and of the frustration resulting from the economic consequences of the Soviet arms buildup felt by the nations of Eastern Europe—and this, in turn, is revelatory of their impotence vis-a-vis Moscow. Thus, one Hungarian participant called on the Western representatives to realize that the decisions of

the East European governments no longer depend on the dictates of Moscow nowadays and that there is far more flexibility in Soviet leadership and foreign policy than is generally assumed in the West. The West should leave off thinking that Moscow was pursuing its aims in a monolithic fashion. It was typical that the Soviet participant at the meeting took the floor but once, if only to say that he had nothing to contribute to the debate, since he lacked instructions from Moscow, adding that he would make up for this at some other time by presenting a paper. This would lead one to conclude that Kremlin simply has not yet reached a decision on how to continue the dialogue with the other superpower.

An American participant underlined that the United States would reorder its political and strategic priorities in view of economic constraints, since Washington would like to see a more equitable sharing of expenditures because of the third technological revolution and the second stage of the nuclear arms race which was about to begin. If the European partners recognized this fact of life, then they would have to conclude that they would have to make a bigger contribution to conventional defense than they had heretofore. Burden-sharing within NATO was inequitable [he said]; in the future, America would only be able to meet its commitments in the Pacific area, in Central and Latin America and the Near East, if the costs of continuing to maintain an American presence in Western Europe were shared accordingly by the Europeans. This did not so much amount to an out-and-out threat of a unilateral, partial American withdrawal from Western Europe but rather to a call on the Europeans to stop contemplating their own navel.

Again and again the question of greater European contributions to the common defense came up. The Americans drew skeptical comparisons between the frequent promises and the actual commitments in this matter. No one disputed the fact that the core of such European developments would have to be Franco-German cooperation in the arms field; but the French participants made it quite clear that the "nuclear umbrella" of the French "dissuasion force" would not include the neighboring FRG anytime soon. The old De Gaulle precept that France would reserve the right to reach its own independent decisions in case of conflict is being followed by the Mitterrand government even more assiduously, if anything.

One of the American participants pointed out convincingly that European concerns are justified with regard to the huge American national debt, the strong dollar as well as the equanimity which Washington is displaying vis-a-vis foreign countries in this respect. Taking care of these problems would have to be at least as important from the security policy point of view as the purely military aspects of the matter. But the American did agree with the rest of his countrymen about the fact that the existing security systems were in the best strategic and national interest of the Europeans. One American participant with a great deal

of background in Soviet affairs said that it was in everybody's interest to keep CSCE—as the sole institutional embodiment of all-European unity—alive as a "useful myth." This applied similarly to the concept of "European defense" because this concept embodied the most significant postwar development—which is Franco-German cooperation. To speak of German reunification was like speaking of a half-truth [he said] and yet this was the "umbrella" under which the contacts between the two German states were continuing to take place. But to speak of neutralization or neutrality in the case of Central Europe was like constructing a "bad myth" which would undermine the viability of the present security system.

Both the West German and the East German participants remarked on relations between the two German states; on their continued hopes for a visit of the chairman of the GDR council of state, Honecker, to the FRG and on the clear political and ideological differences between their two states. The "community of responsibility" and "damage control" formulas reiterated by one GDR participant and his insistence upon the need for joint efforts in arms control and the continuation of useful contacts in all fields were interpreted as an indication of the fact that the GDR continues to view the German-German dialogue as a special facet of its policy. Fear of the consequences of an uncontrolled arms race are especially deep-rooted in the GDR. How far off German reunification really is could perhaps best be judged from the fact that one of the French participants vociferously rose to the defense of the right of the German nation to unity, since this right could not be denied to any people. What remained unsaid, however, was what most of participants really felt: that a shift in the balance in Europe as a consequence of the resolution of the German question would place a strain on the existing security systems which they are not as yet able to bear. Perhaps more importantly, there was a realization that exclusive concern with East-West issues in the Central European area runs the risk of overlooking the future issues between North and South and their great potential for conflict.

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GRATZ ON RELATIONS WITH EAST BLOC, SECURITY POLICY

Vienna DIE PRESSE in German 17/18 Nov 84 p 5

[Interview with Leopold Gratz, Austrian minister for foreign affairs by DIE PRESSE editors Peter Martos and Andreas Unterberger; date and place not given: "Austria No Longer Needs Any Governesses"]

[Text] Nicaragua, the CSSR crisis and the Moscow trip—foreign policy issues are in the Austrian public eye more than usual these days. At the same time, there is a new man in charge at the foreign ministry whose focus is different from that of his predecessors. In a wide-ranging interview with two members of our editorial staff, Leopold Gratz speaks out against any Austrian fixation on the signatory powers of the state treaty. He wishes instead to focus Austrian diplomacy on Europe once again; he categorically favors a serious approach to national defense; states his position on the conference center and accepts the "balance of terror" as contributing to the maintenance of peace.

[Question] Mr Minister, there is a kind of general aspect to the current low ebb in Austro-Czechoslovak relations. In the relationship between nations of differing social orders—as the saying goes—are there not certain limits to how far these relations can go? Have we not at times harbored illusions in that respect?

[Answer] There always are points at which one runs up against certain limits—limits of understanding as well. One cannot simply close one's eyes and say let us pretend there are no differences between social systems; let us pretend that everything is the same—for instance in the way the media report the news. That will not work. It will be difficult to carry on a discussion with a country that has a state-run press or that places severe restrictions on the media on a question such as whether an article appearing in an Austrian newspaper can be equated to a story published in the government organ of that country. There are many other examples, of course, for existing limits.

If we now say we do not wish to interfere in the internal affairs of another country, then that is part of our approach to things. For another thing, we have no desire to act as a schoolmaster with regard to social systems. We can only say that there are certain basic conditions to be met in the future. If one is interested in a free exchange of information, then that cannot be a one-way street. If one is interested in displays of friendship, then there must be peace along the frontier.

[Question] As far as our bilateral relations are concerned, can we really take the position that we do not care about internal **government** repression in view of the UN human rights agreements and the Helsinki Final Act ?

[Answer] Of course we care, as far as I am concerned. But in the human rights area in particular there is an unwritten law: that one may be able to more good by not making **grand** pronouncements. The point is not so much to demonstrate in public what wonderful declarations one can come up with but rather to figure out how many individual human beings one was able to help. Sometimes it is not such a good idea to link the human rights issue to the state of bilateral relations.

[Question] But there also is "basket three" of the Helsinki Final Act which very specifically deals with bilateral relations. With Czechoslovakia in particular there have been difficult and lengthy negotiations on an improvement of the situation along the frontier. On the occasion of a visit to Prague by your predecessor Erwin Lano, the CSSR made some assurances in this respect but has failed to implement them.

[Answer] Which merely proves that this process is a very, very laborious one. Next year, we will have an opportunity to draw up a balance sheet about the 10 years since the Helsinki Final Act not only by making grand declarations but also by adding up individual accounts where one will be able to state very frankly in what respects and in what relationships with which countries we feel the Final Act has really been fulfilled.

[Question] Let us talk some more about bilateral relations. How positively do you view the trip to the GDR and to Poland? At times there was talk of Austrian concessions. Looking back on both these trips, do you feel they were completely positive or are there not some question marks on these, too ?

[Answer] If there is a question mark with regard to Poland, the only one I can think of is how that nation will develop from this point forward. There are many things one can speculate about. Personally, I do not feel that this was a concession. Particularly if one wishes from the depth of one's heart that Poland could keep pursuing the reform policies as far as possible—which does not mean it would turn into a Western-style democracy—then the visit contributed to that end by conveying to those re-

sponsible that one is not simply rejecting them but that one is aware of the extremely difficult position in which the government finds itself. That does not imply by any means that one agrees with the individual steps being taken. I was in no position at all to pass judgment on that. But I am firmly convinced that any further isolation or economic boycott would actually have the opposite effect from the one intended.

If one looks back to the situation of about 10 years ago, then the visit to the GDR was a milestone. It is possible to achieve relations even with the GDR, slowly and step-by-step, which are not only orderly from the formal, political point of view but which could be viewed positively as well—particularly as regards cultural, scientific and economic relations.

[Question] What do you think the result of the visit to the Soviet Union starting next weekend on which you will be accompanying Chancellor Sino-watz will be beyond an improvement in the political climate? It is probably not in the best interest of the Austrian government to raise certain pending issues in the media discussion between the two countries in the official talks...

[Answer] Particularly with regard to this interesting point it turns out that international relations are not conducted by computer as it were or on the basis of official documents but that agreeably enough it is a matter of personal contact and conversation because politics are made by people after all. What I mean by that is that if we bring nothing concrete back home with us, it is still a good idea for the responsible leaders to meet at more or less regular intervals. That is something which is just this side of being irrational; but it is important just the same to talk things over even if there are no concrete results on a given occasion. The only important goal we have is to see to it that our economic relations which are characterized by the large energy deliveries from the Soviet Union can be balanced more than heretofore through a rise in Austrian exports.

[Question] Mr Minister, in a slight variation on foreign ministry parlance you have referred to the five permanent members of the UN Security Council as the constants in our international relations whereas previously reference was always made to the four signatories of the State Treaty. Was that a slip of the tongue or was it meant to upgrade China or was it a break with the tradition of perpetually and superfluously citing the State Treaty which was what Ambassador Thalberg in his recent book called for?

[Answer] I did that very consciously—exactly along the lines of Ambassador Thalberg's argument. No one discounts the role played by the signatories to the State Treaty or the fact that the treaty itself provides for rights and duties on both sides; but what I really wanted to say was that in our day-to-day political life the four former governesses

—if I may put it that way—do not play the lead roles but that they are important in their own right. If there is a group of nations which is of significance in a small country's scheme of things, then it would be the one consisting of the five permanent members of the Security Council.

[Question] Could this be viewed as our own redefinition of Austria's role and as a break with the tradition of citing the key events of 1955 ?

[Answer] These key events are a part of history, of course; but there comes a point at which such an event does become history and as such no longer needs to be referred to continually. To put it bluntly: when the Swiss speak of their neutrality today, they do not hark back to the final act of the Congress of Vienna...

[Question] What does this bit of historical self-perception do for us ? Does it help us "digest" our history since the State Treaty ? Can we now start integrating the present ?

[Answer] There is a good deal of truth in that. We are not turning our backs on anything because our policy of neutrality stands firm. But one has to accept the fact that these may not be the only principles to live by in a changing world. Perhaps we sometimes do not see things this way because we feel that very little has changed over the past 40 years. As far as our domestic development goes, we have been moving up year after year. But aside from that a great deal has been going on in the world. Let us just assume, for the sake of argument, that people had tried in 1950 to proceed according to the precepts of 1910. With all due deference to our starting position, political life simply must continue to move forward.

[Question] Ever since the Sinowatz government came into office, more Austrian political leaders have been on official visits abroad and more foreign politicians have been coming to Austria. Going back to what you said before, could one generalize and say that the government views such visits as a special necessity ?

[Answer] Yes. With all due respect to the diplomatic service, it does make a difference whether two countries know about each other on the basis of diplomatic cables or whether the leaders actually meet face-to-face. Of course there is no such thing as covering the whole world personally but it does make sense to opt for personal contact particularly in those instances where we are dealing with economic policy or with development policy at some future date or where issues involving world crisis spots are concerned. Chancellor Kreisky, who held that post from 1970 to 1983, did not have to do so much extensive travelling; He knew most of the people anyway.

Let me give you an example. When I was in Rome I not only had an opportunity to have a formal conversation with Minister President Craxi but I also spent three-quarters of an hour talking to him in private. Without talking about it later, one can bring up a great many points far more openly in such a conversation than would be possible in a conversation, however confidential, between an ambassador and the general secretary of a foreign ministry.

[Question] Speaking of the diplomatic apparatus, Mr Minister: although you have only been on the job for 3 months could you already tell us whether you are satisfied with its structure, its organization, with the way it works, with its focus on Europe and with its junior officers ?

[Answer] One thing we should leave untouched is the principle that we should be represented in the European capital cities at least. Personally, I even think we should take a next step and open a few consulates in big European cities staffed by our own foreign service officers; but to make up for that, we should open fewer new embassies in other parts of the world. Secondly, I think we should adhere to the principle of universality. I am well aware of the fact that that is asking a lot. But it would be terrible in the case of so small a diplomatic service, if we only had people all of a sudden who deal with economic matters or only with cultural affairs and if there were others who did the classical political work of diplomacy. Representing a small country like ours these days means that the officer in question must be equally at home in economics and in political and cultural affairs.

We should really look into the question of whether there are ways of making life easier for our junior officers. It would be nice to have a system where such a young officer not only got his training at headquarters and at embassies on a rotation basis but would also be given an opportunity to work for all sorts of institutions in foreign countries at government expense for a time.

[Question] You have been speaking about Europe, Mr Minister. Over the past year or two there has been more and more talk about Austria's joining the European Community. What else could be done in this regard from an organizational and institutional point of view ?

[Answer] Personally, I do not think very much can be done from the institutional point of view. The institution already exists; but we cannot join it as a full member. That means we cannot participate in at least part of the dynamics of the community; we cannot contribute to the shaping of policy. That is the big drawback. As an enthusiastic parliamentarian, I am following with great interest the struggle for more rights which is being waged by the European Parliament—a struggle which was waged 100 years ago in the parliaments of the individual nations. That is an ex-

tremely dynamic process because, from a formal point of view, the European Community (and previously the European Economic Community) has transferred national sovereignty rights to a supranational body and from a substantive point of view the prerogatives of the individual parliaments have been transferred to an international administration. The EC parliament would now have to recapture those formerly national rights from Brussels.

On the basis of our bilateral relations, we Austrians must try as best we can to be a part of this process. In other words, instead of joining as a full member we must try to exploit the economic possibilities up to the limits imposed by our neutrality.

[Question] Turning to security issues, Mr Minister: are we getting the right impression that both Chancellor Sinowatz and you—more so than your predecessors—feel that national defense must play an important **part** in guaranteeing Austrian security ? Or do the old statements still apply—to the effect that foreign policy is the best security policy and that the UN city makes a significant contribution to that end ?

[Answer] It is correct to say that the UN city and the role of Vienna as a conference site both have a security policy aspect to them. But we also feel that the national defense component is just as essential and indispensable. For all of us who already had some understanding of political life in 1955—I myself was a functionary of the Socialist Youth Organization at that time—these issues were so patently clear that we probably did not talk about them enough in the intervening years. Of course the question of national defense and the defense of a way of life means something different for someone who had seen nothing but foreign uniforms for 10 years than for someone who is familiar with that period only in terms of "past history" and who feels deceptively safe because nothing is going to happen to us because we have the Lipizzaners, the Vienna Choir Boys and the Vienna State Opera and so forth. Maybe we did talk too little about it. We—and that includes the government as a whole—are convinced that military national defense is an integral part of the security policy of any country.

[Question] You referred to the conference center. Is it true that the CSCE followup conference—or at least the first few months of it—cannot be held in the new center ?

[Answer] Looking at the construction plans as of right now, the preparatory session of the CSCE followup conference in 1986 will be held in the Redoutensaal. The main conference will then take place at the Imperial Palace up to about the spring of 1987 and will then move to the conference center—above all because I am very much in favor of having a trial run prior to the CSCE. We want to have two congresses or so held at the center first.

[Question] Did you exert any pressure to have that Arab funding agreement retained ?

[Answer] In this matter I took the position that we had to have some serious but friendly conversations to make it clear that the whole meaning of such a conference center for Austria—as a nation which is open in all directions—would get lost, if it merely seemed as though even one group were able to prevent the holding of certain types of conferences. All the oral assurances to the contrary notwithstanding, the agreement might still have created that impression. That is all taken care of now. Now as to the complete withdrawal of the Arabs: it might have worked had it not been for certain aspects of a public debate. But now that is no longer possible. I have noted the reaction of the Arab ambassadors to specific parliamentary debates. I do not wish to curtail anyone's freedom of speech but when several Arab ambassadors come to me and ask what Austria's position vis-a-vis their country is, if they are called names like "dubious characters" and the like...

Following this reaction, the very attempt to reconsider the Arab funding proposal would have led to an understandable display of irritation far beyond the importance of the conference center as such. Not only our economy would have been affected. One really must not treat nations with such a long tradition so cavalierly as it sometimes occurs in public.

[Question] How important is the "balance of terror"—a term which is frequently used in a disparaging way—for Austria's security ?

[Answer] It is horrible to have to say it but this balance really is a factor which maintains the peace. We believe that this balance should be kept to an absolute minimum because starting at a certain level of armaments the mere number of weapons constitutes a danger in itself. The interesting thing is that neither of the two superpowers denies this; they merely assert that they must build up their potential because the other side is armed.

[Question] Mr Minister, there is another school of thought which holds that the "balance of terror" should be kept at the highest possible level because the quantitative difference to other nations which might possess nuclear weapons would otherwise grow too small...

[Answer] I am aware of that theory. The debate then borders on the grotesque when the question of balance is measured against already existent multiple overkill capabilities. Everything that has been proposed in the way of reduction would not alter the fact that total mutual annihilation—if one is willing to consider that horrible thought—would still be guaranteed several times over.

[Question] Aside from the East-West conflict there is no other issue which is being discussed in as radical and contradictory a fashion as Nicaragua. Is it not counterproductive, if no clear-cut Austrian policy on this issue is forthcoming ?

[Answer] We Austrians would have been pleased to see conditions in Nicaragua which would have enabled all the opposition parties to take part in the election. But one must also recognize the fact that—as distinct to Somoza—promises have been made to pursue democratization inside the country. If the Sandinistas use the threatening gestures by the United States as a pretext for an arms buildup, then these threatening gestures will have proven counterproductive. There is worldwide concern about this.

[Question] Are you saying that you do not believe that American pressure was responsible for the fact that these controversial elections are being held at all ?

[Answer] The Sandinistas are as susceptible to public opinion as anyone else—and they are not small children. They are aware of the importance of the United States for all of Latin America. I can see American pressure succeeding but if the pressure is accompanied by threatening gestures, then one may provide a reason or a pretext for concerning oneself exclusively with military issues there.

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BALCI VIEWS DENKTAS PACKAGE AS POSITIVE STEP

Istanbul CUMHURIYET in Turkish 3 Dec 84 p 3

[Article by Ergun Balci in the column "Problems in Politics": "A Positive Step on Cyprus"]

Text] The acceptance by TRNC [Turkish Republic of Northern Cyprus] president, Mr Denktas, of all the proposals put forth by UN Secretary General Perez de Cuellar in New York for the solution of the Cyprus problem is a most positive step forward from Turkey's point of view. It is not yet known at this stage what role the step taken by Mr Denktas will play in resolving the Cyprus problem. Greek Cypriot leader Spiros Kyprianou was put in a difficult position by Denktas' moderate attitude and he has left New York for consultations in Athens and Nicosia. Reports arriving from New York indicate that UN circles fear Kyprianou's withdrawal from the talks.

If Kyprianou withdraws from the talks, the Cyprus problem will be back in limbo. This time, however, no one will be able to Accuse Turkey and the TRNC of the impasse, and there will be no doubt of the good will of the Turkish side.

De Cuellar's proposals meet in large part the Turkish side's desires. The principles appearing in the proposal package of "political equality between the two communities" and "Turkey as a guarantor" of the security of life and property of the Turkish community are matters on which Mr Denktas has been insisting. The bicameral system that would be established under the De Cuellar proposals envisages a 70-30 ratio of Greek Cypriot to Turkish Cypriot representatives in the lower house and a 50-50 ratio in the senate, an article demonstrating acceptance of the Turkish community as /an equal partner/[in italics] in the federation.

In response, Denktas adopted a flexible stance on the presidency of the Federal Republic and territorial matters, approving the election of the president by the Greek Cypriots and of the vice president by the Turkish Cypriots. Yet, it had been the desire of the Turkish side that the president be elected alternately by Greek Cypriots and Turkish Cypriots. On territory, Denktas accepted retention of 29 percent of the island by the Turkish side.

Thus, the Turkish side has shown its good will in taking a positive step on the Cyprus issue that world public opinion must appreciate. The Cyprus problem has set everyone from the EEC to NATO, from the Third World to the Socialist Bloc

against Turkey on the world platform for years, and, by adding to this the propaganda generated by Greece and the Greek Cypriot side, Turkey has constantly been accused of prolonging the crisis. When we view the problem in this framework, Denktas' gesture gains all the more importance.

Greek Prime Minister Andreas Papandreou has not yet reacted to Denktas' sortie. We would think Mr Papandreou has a dilemma. As long as the Cyprus problem is in limbo, it essentially gives the Greek prime minister a strong anti-Turkish propaganda weapon, and Papandreou makes abundant use of this weapon to discredit Turkey on world platforms. The Cyprus problem is also a help to Papandreou on the Aegean problem. The Greek prime minister says, "You see, the Turks took Cyprus and now they are trying to take away our rights in the Aegean as well," to show Turkey as an intransigent nation in all things and subvert Ankara's due concern over such matters as territorial waters, the continental shelf and armament of Greek islands.

If the Greek prime minister replies positively to Denktas' sortie, he will be deprived of so "useful a weapon" as Cyprus. Turkey, meanwhile, will be able to have a more effective voice in informing the world of the Aegean problem through the disencumbrance afforded by showing good will on Cyprus. On the other hand, however, further prolongation of the Cyprus crisis may backfire after a point and become detrimental to Papandreou. Especially after Denktas' gesture, if Papandreou were to adopt a negative stance, it could lead to his being blamed for the Cyprus crisis both at home and abroad. The Greek prime minister could come to be viewed as a statesman who makes a lot of noise but does nothing but perpetuate the crisis. After a point, the Greek people may ask the question: "Is prolongation of the Cyprus crisis the fault of Turkey's intransigence or Papandreou's intransigence?"

As for the view suggested by certain circles that Moscow does not want the Cyprus crisis resolved, thinking Greek-Turkish relations would smooth out and the south-east flank of NATO be strengthened, this does not strike us as very sound. If the Cyprus crisis continues unresolved for a long time, the island would face the danger of true partition one day and then the Kremlin's greatest fear, that of the island's becoming a NATO base, would loom on the horizon. Moreover, the Cyprus Communist Party AKEL and the Greek Communist Party both want the Cyprus crisis resolved.

In responding to Denktas' gesture, Andreas Papandreou will doubtless review carefully both the internal and external balances.

We shall soon see what this response will be.

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PCF SEEKS SCIENTIST ACTIVISM FOR DISARMAMENT

Paris CAHIERS DU COMMUNISME in French Nov 84 pp 78-84

[Article by Simon Leinad: "The Necessary Contribution of Scientists in the Battle for Disarmament"]

[Text] Scientists have a dual responsibility in the movement for peace and disarmament (in the world and in their own countries). As citizens they have, like everyone else, the responsibility of defending life against death; as scientists they have a more direct responsibility (although they are obviously not the only ones who decide): to develop greater control by mankind over the laws of nature, to transform the world.

This dual responsibility involves them in at least three major questions and singles out their contribution in the vast movement for peace and disarmament.

1. What would the apocalypse be? Shouldn't they first better identify the consequences of a nuclear conflict, in other words open up both research on this subject and the means to sensitize and inform public opinion of the results obtained?
2. What is the burden today of the arms race? What waste and what obstructions result at the level of scientific and technological development?¹ What is being taken away from the real needs of mankind by this (combatting hunger, drought, etc.)?
3. Dedicate to life what we waste on death. Could they not already develop proposals favoring de-escalation, the reduction of the military power of research and industry, and development of means of control and international cooperation?

These three major questions, strongly interlinked, call upon these workers to be an integral part of the "third great power,"² and to strengthen it through their special contributions. This does not just mean breaking the media silence but primarily raising awareness about the critical level reached by the arms race, its consequences today, its risks and the solutions to use.

These contributions should be many and varied: position statements by scientific unions, publication of works, proposals to businesses, participation in major mass activities, etc. My goal is not to give an exhaustive list of such contributions but simply to point out some new tendencies and practices starting with the recent notion of "nuclear winter."

What Is At Stake?

We must first know what is at stake. Too many scientists are unaware of the global strength of the nuclear arsenal. This certainly attests to different types of censorship but, it seems to me, shows more basically a hesitation to frankly approach the discussion on the reality of the risks and the scope of a conflict. But how can there be a discussion without them?

The Nuclear Arsenal

There is a possibility of massive use of nuclear arms. The total force of the world arsenal surpasses 12,000 megatons (MT), in other words the equivalent of 12,000 million tons of TNT. This force deserves to be appreciated--it corresponds to 3 tons of TNT per inhabitant of the planet! It also represents 6,000 times the total strength of explosives used during World War II, and it would explode in a few minutes! It is 1 million times the strength of the bomb used at Hiroshima.

However, to think in terms of the equivalent strength of a conventional explosive is not enough. The immediate effects of a nuclear blast combine both mechanical (shock waves and blast) and thermal effects, irradiation, ionizing and radioactive contamination, electromagnetic disturbances, etc.

Experts have concocted the most sophisticated dosages to reinforce one of these effects in relation to the others (for example, a strengthened radiation bomb, called a "neutron bomb"). The scope of possible uses has expanded considerably, from underwater use to very high altitude (40 km and more to jam electronic systems). The same is true for the different types of vehicles, from the artillery shell to the different types of missiles, and including a great variety of bombs, mines, torpedoes, etc.

SIPRI [Stockholm International Peace Research Institute] is following the growth of this arsenal and each year publishes an update.

The colossal investments (including gray matter) poured into this sophisticated arsenal should revolt any scientist; they leave high and dry many areas that could improve humanity's destiny (for example, drought has again hit the Sahel).

Strategies: From Destruction to Survival?

After the end of the American monopoly on nuclear arms (1949) the false idea of a "balance of terror" gradually took root. This was based on the notion of "mutually assured destruction" (as in MAD). This balance could only become more and more fragile if the arms race were not stopped.

In the seventies research into a possible victory in a nuclear conflict gave rise to a whole series of public statements. Jimmy Carter's presidential directive no. 59 (35 years after Hiroshima) presented in particular a "new nuclear strategy" opening the possibility of a "limited and prolonged nuclear war." From "mutually assured destruction" we went to "assured survival."

It is no longer "mutual"! Under cover of a "counterforce" a first strike strategy has appeared--make the adversary lose the bulk of his means of

response. So the Pentagon was looking for ways to keep the USSR from wiping out more than 10 million Americans.

All the modifications of the nuclear arsenal have underlain this strategic change³: increase in weapons which are precise to within 1 meter (with a final guidance phase), more effective (and therefore smaller) loads, almost undetectable vehicles (cruise missiles) and space wars to destroy the adversary's rockets that were not hit in their silos.

In Europe and even in France several strategists have not hesitated to spread the idea that nuclear war would be "cleaner" if the firing focused on military targets (and less on cities) and if the loads were smaller.

Could a Nuclear War Be "Clean" and Winnable?

Many scientists and especially atmospheric scientists have responded to these pretensions with a certain courage by drawing the discussion to the reality of the nuclear apocalypse one day, several months and several years after.

Wouldn't the anticipated victory be a defeat for all mankind?

This question calls up another one which is both simple and complex: under what conditions could life (on a social basis or not) be maintained? Scientists cannot escape from this question, and even less can they leave it to theorists to answer.

The Origin of the Idea of "Nuclear Winter"

The idea of "nuclear winter" was finally able to emerge in France despite the well-organized media silence and the reiterated refusal (until now) to promote research on the atmospheric effects of a nuclear conflict. It is perhaps necessary to briefly review the history of this idea.

Old Preoccupations

We can first note that there has always been a certain preoccupation about the atmospheric effects of a nuclear conflict.

On the one hand, in 1963 the Soviets and the Americans concluded an agreement forbidding atmospheric tests. It should however be noted that this agreement does not seem to have resulted solely from the "disagreeable" consequences of this type of test (particularly complaints from other countries) but also because of the concern about non-dissemination.

On the other hand, various research (in the seventies) demonstrated the possibility of reducing the ozone layer (by 30 to 70 percent for periods of 1 to 3 years) based on various scenarios using powerful loads (1 MT and more). The penetration of ultraviolet B rays to the earth's surface (development of cancers, etc.) would be greatly increased.

However, this research and the positions of various scientific unions did not seem to have a great effect on public opinion. It should also be noted that the 1973 agreement (again between Americans and Soviets), prohibiting the use of "above ground weapons"⁷ did not refer to nuclear explosives as liable to be the "ignition" for this type of weapon (like an A bomb is for an H bomb).

What seems to have lit the powder keg (excuse the expression) is the strategic change mentioned earlier.

A Confrontation of Different Specialists

In 1980 the journal AMBIO of the Royal Academy of Sciences of Sweden brought together several specialists (strategic analysts, physicians, physicists, chemists, atmospheric scientists) to conduct different studies on the relatively immediate consequences of a nuclear conflict.

The various research was published in a special issue⁸ that was quickly sold out and reissued as a book (still in an English edition; we are impatiently waiting for a French edition).

The interest of this study lay, on the one hand, in a confrontation of various specialists to discern the varied aspects of a nuclear conflict (based on a scenario constructed by weapons and strategic analysts) and on the other hand in the fact that various studies contained more long-term areas of research (economic, social and even mental destructuring).

In particular, because of new developments, the article by Crutzen and Birks ("Twilight at Noon") would lead to the idea of nuclear winter.

Note that the bottom line, estimated optimistically so as not to overshoot, was already quite large: 750 million dead!

The Phenomenon

Aside from massive and deadly pollution, the article by Crutzen and Birks⁹ shows the important role of fires begun by a nuclear conflict.

Such a conflict would in fact create numerous fires (1 million km² of forests, many petroleum sites, large cities, etc.) which would produce hundreds of thousands of tons of soot (carbon black) forming thick clouds in the sky. The soot very effectively absorbs sunlight but is also very transparent to the infrared radiation emitted by the earth. As a result the radiation balance (and therefore the thermal balance) of the earth would be upset, resulting in a significant decline in ground temperature and an increase of the temperature at higher altitudes (because of the heating caused by these clouds of soot), which would stabilize the phenomenon. The dust would reflect a not insignificant portion of the sunlight, of which the earth's atmosphere would then be deprived.

For 3 years many studies have been made of this effect which was given the name of "nuclear winter." They were done using numerical models simulating the change in the climate. These simulations have been tested in relation to

different phenomena partially corresponding to nuclear winter--major volcanic eruptions, dust storms observed on Mars, etc.

The End of Borders and of Homo Sapiens

As soon as you talk about the atmosphere, borders are not a priori involved. It has been confirmed study after study that the entire atmosphere would be involved in a nuclear conflict.

These different studies are wide reaching because they indicate that, within the limits of our knowledge of an environment as complex as the atmosphere, a nuclear conflict would result in a major and deadly transformation of that atmosphere. With "only" 1 percent of the world arsenal, 95 percent of the sun's rays would no longer reach the earth's surface. Ground temperature would fall by 35°C and would remain below 0°C for 2 months (study of the American group TTAPS). For more severe conflicts this would increase to 1 year.

Research is still needed (and is under way in different countries) to take into better account the many phenomena and the extremely fluctuating character of the changes in the atmosphere.

As various scientists have suggested, the nuclear winter could be interrupted (at different spots, at different times) by sudden periods of "nuclear summer." This idea refers to the work on the reduction of the ozone layer (strong and particularly dangerous ultraviolet B radiation).

Curiously, the distribution of soot on the polar ice is a meteorological weapon frequently mentioned in the 1960's. It is surprising that this frightful scenario does not result in more references to the agreement prohibiting this type of weapon.

A preliminary study of the biological consequences of such a climate ends with the simple sentence: "In this case, the possibility of the extinction of homo sapiens cannot be excluded."

These preliminary studies do not support the idea of a "limited conflict" (remember that 100 MT seems to be sufficient to trigger a nuclear winter), "assured survival" or "possible victory." Even though they never had any moral foundation they are now more than ever denuded of scientific foundation.

Beyond the Media: Seeking and Informing

It was on 1 November 1983 in Washington that the idea of nuclear winter was presented to the media. The French media succeeded in saying nothing, despite the fact that the investigators who initiated this international press conference did things right: teleconference, via satellite, with Soviet scientists in Moscow, with a sometimes rather impassioned conversation for the survival of mankind, statements to cooperatively continue research and the INTERNATIONAL HERALD TRIBUNE covering this event on the first page!

The specialized press participated in this same silence: LA RECHERCHE took several months to inform its readers. The article about nuclear winter in SCIENTIFIC AMERICAN of August 1984 was not translated in the corresponding issue of POUR LA SCIENCE of October 1984.

These few examples (and there are others) demonstrate in themselves the organized silence of the French media.

An Appeal and A Congress

These concerns were, however, expressed in French meteorological circles. An appeal was launched in December 1982 and rapidly got over 200 signatures. It was even more significant because of the real diversity of the signatures supporting it (union and political lines were not impermeable).

This appeal was sent to the ninth congress of the World Meteorological Organization (WMO) (May 1983, Geneva) and was based on a simple fact: the WMO is the oldest example of technical and scientific cooperation (over 100 years, since it succeeded the International Meteorological Organization founded in 1873 after several earlier organizations) and since 1951 it has been one of the 16 specialized agencies of the UN. In this dual role this organization was logically the one to make its contribution to the effort for peace and disarmament on the three questions mentioned at the beginning of this article.

We must briefly insist on the very concrete aspect of these questions at the meteorological level.

International cooperation has been a permanent practice since the sixties. Via an international transmission link (of which one of the regional centers is Paris), the world weather watch allows raw and prepared data to be permanently exchanged throughout the world.

The technical gap between "rich" and "poor" countries has increased these past few years (because of the cost of satellite technology) and the meager WMO budget does not seem to be able to absorb this. And we must not forget the permanent brakes represented by increased militarization of many meteorological services,¹⁰ both at the level of technology (the most advanced meteorological satellites are purely military ones) and of scientific cooperation.

The French delegation refused to transmit this appeal which, however, was similar to the proposals of another delegation (the FRG's). The French delegation also took the responsibility of refusing the efforts made by the British delegation to seek a compromise text that would be likely to win the approval of the majority of participants. The congress ended with no concrete decisions on the need for studying the atmospheric effects of a nuclear conflict.

Later a delegation of signatories was able to meet with the director of the disarmament sector of the ministry of foreign relations. He merely indicated that France considered such research to be uselessly expensive.

Thorough Reflection

Besides the 200 signatures and the refusals it is necessary to look at the sizable number of discussions and reflections that this appeal has engendered and initiated. It set forth, in its many aspects, the relationship between daily work practices and a major question. There was no uniform attitude; a technician who had been working for more than 20 years for the world weather watch only expressed his concern to preserve peace, while a young technician leaving meteorology school stated that he was enthusiastic to discover that meteorology "asks some damn good questions." For the researchers and engineers there was no less of a contrast, from the rare "refusal to help the military seize this new perch" (!) to the patient work of sifting through journals (non-French ones!) to put together the various scientific elements of the research in progress, to continue contacts, etc.

Activities That Are Diversifying

To try to have a regular activity to keep track of all the areas is not simple: circulating information, getting seminars, preparing exhibitions, discussions in businesses or initiatives like those of the "Group of 100," trying to reorganize to form study groups and research proposals and managing to publish!

But this seems to be indispensable in order to allow real convergences of initially very distinct apprehensions and not to be content to organize around abstract and subjective themes (a merely moral position). There is a vast but often ignored potential in this direction that should be developed in different areas. I will mention only two examples:

--Only 20 percent of the arms in France are made in arsenals. These are, therefore, the same firms and very often the same groups, the same men, who work on civilian and military projects. Taking this simple fact into consideration, one can only be surprised to note that the theme of the "difficult reconversion liable to increase unemployment," etc. is still so widespread.

--The keen interest that greets an exhibition on nuclear winter (traveling to several workers' committees and cultural centers) shows a deep need to be able to objectively judge the reality of the nuclear threat, its implications, and to no longer become stuck on the "color" of the missiles.

"The third great power" does not seem to be able to reach its full vitality except through a multiplicity of initiatives responding to this need to be able to better and more objectively judge the risks, the costs of the arms race and the prospects that de-escalation would open. All scientific areas are obviously affected and all scientists have the responsibility of contributing to this.

FOOTNOTES

1. A participant at the international meeting of intellectuals organized by the Appeal of the 100 (March 1983, Paris) used the term "pathology of scientific life."

2. This expression of Frederic Joliot-Curie seems particularly apt to designate the people's movement that is in frank opposition to the fatalism inherent in the expression the "two superpowers" and forms the background for the book "The Third Great Power, A Chance for Peace" by Maxime Gremetz.
3. See, for example, "Stopping World War III" by M. Myerson and M. Solomon, US Peace Council.
4. The appeal for the March for Peace of 28 October 1984 explicitly referred to this in the first paragraph. LE MONDE apparently felt obliged to publish a first article on this subject on 16 September after an article by J. P. Petit appeared in L'HUMANITE on 14 September 1984.
5. The most recent experiemnt used a force of at least 60 MT!
6. For example, National Academy of Sciences, "Long Term Worldwide Effects of Multiple Nuclear Weapon Detonations," Washington, D.C. (1975).
7. Agreement still open for ratification by other countries. France has still not ratified.
8. Ambio II, no. 2-3, 1982. "Nuclear War: The Aftermath."
9. The reader can also refer to: R. Turco, O. Toon, T. Ackerman, J. Pollack, C. Sagan (TTAPS): "Nuclear Winter: Global Consequences of Multiple Nuclear Explosions," Science, 222 p 1283/1292 (1983). Paul E. R. Ehrlich et al: "Long Term Biological Consequences of Nuclear War," Science, 222 p 1293/1300. C. Covey, S. H. Schneider and S. L. S. Thompson: "Global Effects of Massive Smoke Injection from a Nuclear War: Results from General Circulation Model Simulations," Nature. V. V. Aleksandrov and G. L. Stenchikov: "On the Modelling of the Climatic Consequences of Nuclear War: The Proceedings on Applied Mathematics," (1983). Academy of Sciences of the USSR (1983).
10. For example, the Italian meteorological service is entirely military, the meteorological service in Great Britain is under the responsibility of the armed forces, in the United States each of the three services has its own agency, etc.

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PCF INTERNATIONAL ACTIVITIES FOR THIRD QUARTER

Paris CAHIERS DU COMMUNISME in French Nov 84 pp 103-105

[Text] Meetings, Talks, Solidarity*

June 1984

25--Maxime Gremetz, member of the Political Bureau, secretary of the Central Committee of the PCF, and Jacques Perreux, secretary general of the Communist Youth Movement, participated in a meeting in Ivry for the departure of the first youth brigade which will construct a school block in Nicaragua.

July

7 to 10--A PCF delegation participated in a conference of left wing Mediterranean parties and movements in Belgrade. The theme of the conference was peace, security, cooperation and social progress (see CAHIERS DU COMMUNISME September 1984). During the conference Maxime Gremetz met briefly with Yasser Arafat.

9--Sylvia Ferreira de Marelli, president of the National (Blanco) Party of Uruguay, daughter of Wilson Ferreira Aldunate, was received at Central Committee headquarters by Mireille Bertrand, member of the Political Bureau of the PCF, and Francoise Bontoux and Georges Fournial, members of the Central Committee.

10 and 27--Georges Marchais, secretary general of the French Communist Party, and Nicolae Ceausescu, secretary general of the Romanian Communist Party, held talks in Romania. An official statement was adopted and was published in the September 1984 issue of our magazine.

13--Olivier Tambo, president of the ANC [African National Congress] (South Africa), was received by Gaston Plissonnier, member of the Political Bureau and secretary of the Central Committee of the PCF.

* Since this column was well received by our readers we will continue to run it approximately once per quarter depending on how many events take place. The following should be added to the calendar published in our July-August issue: The congress of the Communist Party of Norway was held from 30 March to 1 April (Daniel Monteux, member of the Central Committee, represented the PCF).

19--The PCF sent a message to the assembly of prisoners of the Israeli camp at El Ansar for the day of solidarity with southern Lebanon.

27--Jacques Denis, member of the Central Committee, assistant director of the foreign policy section, Roger Trugnan and Jacquie Bougault, members of the Central Committee, represented the PCF at the Third Congress of the Labor Party of the Congo.

August

7--Maxime Gremetz received Ananias Maidana, member of the Political Bureau of the Paraguayan Communist Party. Georges Fournial and Livio Gonzales Santandes participated in the meeting.

25--A PCF delegation went to Japan at the invitation of the Japanese Communist Party and had several meetings (see CAHIERS DU COMMUNISME October 1984).

30--Georges Marchais sent a letter to the prime minister of Morocco after the death of an imprisoned hunger striker in that country.

31--A delegation of Communist members of Parliament called on the embassy of Morocco.

September

3--A demonstration of support for the Moroccan hunger strikers took place in Paris at the appeal of various Moroccan associations and PCF federations from the Paris area. A delegation including Claude Poperen, member of the Political Bureau, Jean-Michel Catala and Henri Costa, members of the Central Committee, asked to be received at the embassy of Morocco.

6--The PCF published a statement expressing its feelings following the events in South Africa and calling for solidarity.

7--A meeting was held at PCF Central Committee headquarters between Maxime Gremetz and Armand Nicolas, secretary general of the Communist Party of Martinique.

7--Maxime Gremetz and Guenter Chabowsky, member of the Political Bureau of the SED [Socialist Unity Party of Germany], met at Central Committee headquarters. Erich Wutzi and Henrik Sack, members of SED's Central Committee, and Jacques Planche, member of the PCF's Central Committee, also participated in the talks.

--Maxime Gremetz sent a message to the bishop of Saint-Denis following the assassination of Father Jarlan in Chile.

--Bassam Abu Charif, member of the PLO administrative staff, and Ibrahim Souss, PLO representative in Paris, were received by Maxime Gremetz at Central Committee headquarters.

8 and 9--The International City of the Festival of Mankind had many stands representing the Communist parties and left wing movements. The festival was opened on the 8th by Maxime Gremetz, accompanied by many members of the Political Bureau of the PCF.

11--The PCF gave its support to the demonstration organized in Paris by the French committee to assist the popular democratic movement in Chile. The committee was represented by Jean Garcia, senator, and Francois Asensi, deputy, members of the Central Committee, as well as by Claude Llabres, member of the Central Committee, and Serge Boucheny, senator.

12--A demonstration against apartheid was held in Paris at the request of several organizations. The PCF, which lent its support, was represented by Claude Billard, member of the Central Committee, and Roger Trugnan.

14--Maxime Gremetz, Guy Hermier, member of the political bureau, Henri Costa and Lucien Marest, members of the Central Committee, paid their respects to film director Yilmaz Guney during funeral services at Pere Lachaise.

18--Maxime Gremetz made a statement in the name of the PCF following the French-Libyan decision for a "concomitant" withdrawal of French and Libyan troops from Chad.

20--At the request of 13 organizations several delegations called at the embassy of Turkey. The PCF supported this initiative. Charles Lederman, senator, Louis Ordu, deputy, and Louis Baillot, member of the Central Committee, represented the PCF.

--Since the announcement of the arrest in Afghanistan of Jacques Abouchar, television journalist (Antenne 2), several leaders of the French Communist Party--Georges Marchais, Maxime Gremetz, Gisele Moreau and Roland Leroy--restated the PCF's position and asked that he be released as soon as possible.

27--Maxime Gremetz received Fadel Ismael, Polisario Front representative in Paris.

October

1--M. A. Serrano, ambassador from Nicaragua, was received by Maxime Gremetz at Central Committee headquarters.

6--Thirteen organizations of Turkish and Kurdish workers called for a demonstration in Paris. Guy Poussy, member of the Central Committee, Charles Lederman, senator, and Christiane Schwartzbard, Paris city council member, represented the PCF.

11-13--A delegation of Communist members of Parliament, led by Andre Lajoinie, member of the Political Bureau, secretary of the Central Committee and president of the Communist group in the National Assembly, traveled to Turkey to demand that Hidir Aslan's life be saved and imprisoned democrats be released.

15--Janos Kadar, first secretary of the Hungarian Socialist Worker's Party and member of the presidency of the republic, met Geroges Marchais and Maxime Gremetz during an official visit to France.

--Following Georges Marchais' intervention, Afghan authorities responded favorably to the request to allow Jacques Abouchar's family and the representative of the French authorities to visit him.

--A study group of the Communist party of Czechoslovakia, led by Joseph Havlin, secretary of the Central Committee of the Czechoslovak Communist Party, spent several days in France.

16--The committee for the defense of freedom and human rights issued a statement on Turkey.

19--The committee for the defense of freedom and human rights issued a statement demanding that a positive response be given to the demands of the Moroccan hunger strikers.

21--After the decision of Afghan justice to sentence Jacques Abouchar to a lengthy imprisonment for having violated the borders and being accompanied by an armed group, the French Communist Party indicated that Georges Marchais intervened with the Afghan government in the name of the party to reiterate its demand that the French journalist be freed as soon as possible.

23--At the request of the France-Turkey association, and in conjunction with various French and Turkish and Kurdish workers' organizations, delegations went to the embassy of Turkey to demand that Hidir Aslan's life be saved. Andre Lajoinie, Helene Luc, chairwoman of the Communist group in the Senate, Charles Fiterman and Maxime Gremetz, secretaries of the Central Committee, Henri Costa, member of the Central Committee, Charles Lederman, Rolande Perlican and Serge Boucheny, senators, represented the PCF.

--After the sentencing of Jacques Abouchar, the Political Bureau of the French Communist Party issued a statement (see our "Documents" column).

25--The PCF published a statement upon hearing that the young Turk Hidir Aslan had been hanged (see L'HUMANITE of 26 October 1984).

--At the request of the France-Turkey Association a demonstration that was supported by several organizations was held to protest the execution of Hidir Aslan. The PCF was represented by Maxime Gremetz and Gisele Moreau, secretaries of the Central Committee, Henri Costa, Jean-Pierre Page and Jacques Denis, members of the Central Committee.

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CSO:3519/138

CANARD : POOR SECURITY IN NUCLEAR, CLASSIFIED DATA BASE

Paris LE CANARD ENCHAINE in French 28 Nov 84 p 3

[Article by Louis-Marie Horeau]

[Text] With an ordinary personal computer, that nice little gadget which the PTT [Postal and Telecommunications Administration] generously distributes and which by the end of the year will equip 525,000 homes, LE CANARD became a hacker. Without a great deal of difficulty, we gained data on the Mururoa nuclear testing center, Nuclear Security Department projects, the storage of atomic fuel, construction plans for a nuclear reactor, and on and on. These little secrets are all contained in a computer bank of the Atomic Energy Commission.

Everyone imagines that such secrets are almost inviolable or at least, that only a computer genius could foil security and gain access to such a "strategic" computer network. But we had to yield to the facts. In a few hours, an average technician, without any internal information from the Atomic Energy Commission, was able, using a microcomputer, to play games with the circuits of computers under tight security.

The film "War Games" tells the imaginary story of a facetious, gifted kid who gets into the Pentagon computers. The following is the true story of a theft from a Frency computer base, theft committed as a prank: LE CANARD was content to confirm that such a thing was indeed possible and easy.

But others have perhaps played before us and with less pure intentions....

Besieged Fortress

It is at Saclay, a few kilometers from Paris, that the big computers of the International Data Processing Services Company (CISI) house their secrets.

This subsidiary of the Atomic Energy Commission (CEA) occupies a building, access to which is guarded day and night. As its name indicates, CISI provides its customers with services that can be rendered by big computers: memory, calculation, word processing, data, and so on.

Naturally, each client pays for a precise usage defined by contract. It does not have access to all the information that thousands of users send to CISI

computers. In practice, it is as if everyone had rights to only a piece of the data processing system, a kind of "strongbox" in which one could choose to store information, erase it or even make advanced calculations. Some customers have only modest strongboxes, while others such as the CEA have the lion's share.

In principle, no one can stick his nose in his neighbor's business. In every "vault," the client is at home. To gain access to it, he has a personal code, a data processing key. It is a little like the vault of a big bank in which every customer has a lockbox. A customer can put what he wants in his own safety deposit box, but there can be no question of grabbing a neighbor's goodies or even weighing them!

But that is what LE CANARD did: illegally visiting the data processing strongboxes of the CISI.

Security

Only a month ago, a young computer technician was fired from CISI. The official reason: He reportedly gained illegal access to the data bank and allegedly stole information to which he had no right. LE CANARD has learned that the firing of the technician has caused a stir in the company. The unions are defending him and a petition against the firing has gathered the signatures of some 100 technicians.

The accusation seems more troublesome, given the highly strategic nature of the work of the CEA. If the technician did get into the system, it is because the system is accessible, say the La Palice disciples. LE CANARD is on their side, but a spokesman from CISI is determined to reassure us:

"Not at all! Our security system is complete and complex. We have countless safeguards and it is nearly impossible to gain access to computer memories from the outside. If that technician was able to commit a serious professional infraction, it is because by virtue of his duties, he had special knowledge about our protection procedures. The proof that security is guaranteed is that he got caught."

In other words, everything is fine! Unfortunately, the unions and the technician's friends are not on the same wave length:

"Everyone," they claim, "knows that certain CISI systems are shot through with holes and that one can gain access to them without any problem. Our colleague who got fired made the mistake of saying so out loud and even of proving it. Actually, if he got caught, it is because he did so on purpose: He told everyone of his feat. And what is worse is the fact that in order to gain access to confidential information, he used only means available to all CISI customers."

Whom is one to believe? To find out, LE CANARD became a holiday hacker.

Pirate Buys Equipment

The first phase: obtaining the necessary equipment. A telephone, a personal computer (or an equivalent computer terminal), plus a small printer (a machine that reproduces on paper what appears on the screen) in order to keep a record of the operations performed. Only the most basic equipment.

The second phase: becoming a client of CISI in order to gain access to its computers. As we know, every subscriber has a personal code number in order to get into his data processing memory. This also enables CISI to identify the calls and to bill the time its computers are used.

It is no feat to enter the club of clients of this company that has some 10,000. At LE CANARD's request, the commercial department of CISI delivered the most basic contract to us in a matter of days: word processing, documentation, and so on. But this was not necessary. Among the many users of the services of CISI, there was one who obligingly lent us his access number for a few hours. Everything was therefore ready.

A small but important detail: The experiment took place last week in Paris, but it could have been conducted from any telephone, even abroad. Tradition is soon lost and it will not be long before spies do not even need fake beards or plane tickets!

In order to understand the chronology of the theft, one needs no technical knowledge. One has but to know that the procedure has two phases. First of all, one calmly penetrates the memory accessible to us. Then, thanks to a little trick, one takes an indiscreet stroll through other banks.

Visit

After phoning the CISI telephone number (which is in the computer guide), LE CANARD hooked up with one of the company's data processing systems: the TSO built by IBM. One then had but to punch into the computer the number loaned by the nice CISI customer. At that precise moment, we could -- in principle -- consult only the data stored by that amiable client, but two quite simple maneuvers enabled us to take a stroll elsewhere. This is how:

First of all, one asks the computer to supply the list of users working at the same time. That question was expected and perfectly authorized. On the computer screen appeared a whole series of names and company abbreviations (followed by a code number) who were happily going about their data processing tasks.

Second, one chooses a victim and in a few seconds, thanks to a second maneuver, one usurps his identity. This maneuver is described in plain writing in the set of instructions to the TSO system put out by IBM (page 38). It is called "Profile Command" and is actually only a bit of technical prowess. From that time on, the computer believes it is no longer dealing with the customer who called it, but with the other one, the one whose identity one has usurped. It therefore allows the intruder to freely explore a domain that is not its own and the visit can begin.

In order to resume the image of the bank vault, it is as if, once one has entered one's own safety deposit box, the customer discovered that it had no bottom. He can therefore stick his hand right through it, into the other boxes and calmly loot their treasures.

In this way, LE CANARD visited the records actually belonging to CISI: goals and actions planned for the current year, finances, the salaries of certain executives and management personnel, and so on. Such information is not without interest (our documents). They also have the merit of supplying hundreds of references concerning CISI clients, with their data processing identification. This enables one to go even further. One needs but a new disguise to rifle through the affairs of all these nice people!

And indeed, there are fine people among the big CISI clients: Air Industrie, Matra, Thomson, Merlin Gerin, a pharmaceutical subsidiary of the ELF-ERAP [Gasoline and Lubricants Company of France-Petroleum Prospecting and Activities Enterprises] and many others. Without forgetting, naturally, the Atomic Energy Commission, the main user of the system.

Panic of Pirates

Obviously, LE CANARD did not try to pirate all the information of these respectable enterprises. Such a thing would undoubtedly have required a great deal of time and most of the treasures thus exposed are truly of passionate interest only to expert scientists. But a few probes were sufficient to show that the entire system is as accessible as a public park. By way of example, the construction plans for the core of a nuclear reactor (Document 5) can be obtained almost as easily as the SNCF [French National Railroads] schedule, provided one handles the computer keyboard correctly.

After watching the screen show references to a laser project classified as "secret," then information on the Tarbes arsenals, the Atomic Energy Commission departments of water reactors and nuclear safety, then the Pacific atomic testing center, LE CANARD gave in. We practically expected the DST [Directorate of Territorial Surveillance] to come on the scene. Imagine if one had stumbled upon the method and manner of putting together a breeder reactor, of building a missile or even setting off a nuclear bomb!

The success of the pirating, which LE CANARD naturally hastened to explain to CISI and CEA executives, caused panic. After numerous secret meetings and summit conferences to prepare a response to LE CANARD, particularly on the morning of 23 November, the assistant general manager of CISI, Gerard Drean, telephoned us. With respect to the soothing statements of his company ("security is guaranteed") made a few days previously, it was a 180°-shift:

"The mechanism that you describe and that enabled you to gain access to information handled on the TSO system is no discovery for us," Drean explained. "But the situation as you describe it is more serious than I had thought. It troubles us a great deal and we are going to continue to tighten our security systems." Drean admits that CISI "has probably been negligent," but claims only part of the responsibility:

"Certain clients use the data processing safeguards that we make available to them to protect their information very little."

Precisely. Only a few CISI clients take the trouble to "disguise" the bottom of their data processing strongbox with secret codes and passwords banning entry to any intruder.

But the great majority of the companies that use the CISI computers -- with the Atomic Energy Commission in the lead -- do not use the safeguards. They are probably unaware that breaking in is so easy! But they have now been warned. Thanks to the civic sense of LE CANARD, their economic, financial and military secrets will soon be better protected.

Worst Possible

Notice is hereby given to any and all spies: It is futile to ask us for details on any military secret that the magic personal computer may have coughed up. LE CANARD did not want to take its experiment too far. But technically speaking, it was possible to do a great deal more.

Certain CISI customers, the more cautious among them, take the precaution of protecting information they store. In order to have access to it, one not only needs a secret code, but also a password. But -- and this is the height of carelessness -- CISI records all these passwords on a kind of general instruction list. And that list is not properly protected. A technician who is a little bold and patient can bring it up on his screen, which amounts to saying that the keyring of the data processing bank is kept in an unlocked drawer. One has but to go look for it in order to open the best protected compartments. The best protected and therefore, probably the most interesting! One shudders at the thought of the treasures one could have found there.

Even better, LE CANARD could have modified or erased certain information. A simple manipulation, still using a personal computer, makes this possible. There are naturally security systems in order to prevent anything from being permanently lost. But the necessary procedures for feeding the information back into the computer are long and costly.

It would therefore be possible to shut down for a several days or even longer a large share of the data of the CEA and several big companies.

France's enemies are either incompetent or truly nice!

Secrets at One's Fingertips

Here are a few excerpts from the mass of paper that came out of our printer during the breakin. We have deliberately covered up the dates, names of persons and companies or fairly mysterious codes in order to avoid giving out any economic or military secret.

81878 \$J2 17

81888 \$L The Department of Nuclear Security (DSN) is setting up for its

81898 Esmeralda facility (sodium flame tests)

1. The Department of Nuclear Security (DSN) is one of the major departments of the CEA. It neglects data processing security....

82138 \$L Activity was begun in 1982 with the

82148 planning of barge construction for the CEP. In 1983

82158 a new contract dealt with the assembly of a model

82168 to simulate the conduct of the 1984 firing campaign

82178 and the use of the barges.

82188 \$L The development of the activity depends on the possibility

82198 of connecting (military security) and the lack of competition

82288 from the internal data processing department....

82218 \$A DIRCEN

2. CEP means "Pacific Testing Center," more commonly known as the Mururoa Atoll. This matter of the barges is somewhat mysterious, but if military security is keeping watch....

DIRCEN = Nuclear Experimentation Centers Directorate

84428 \$L Meeting on 29/18 [sic] with Mr XXXX for planning

84438 for the installation of a "pilot laser." Project classified secret....

84448 \$L Proposals to be made

84458 to the PERT [expansion unknown]

84468 on the XXXX furnace

84478 \$L Meeting set for 26-11-84 in Pierrelatte for the

84488 beginning of analysis.

3. A meeting concerning a laser project classified "secret" and other incomprehensible details.

88258 \$L The CISI mission consists of setting up planning

88268 enabling the XXXX Company

88278 hereafter known as "the client"

88288 to program and supervise work on the construction of

88298 nuclear fuel storage areas.

4. Fortunately, no details are given on the place where the nuclear fuel is stored!

list

88818 E 5A 2 4BEGINNING CORE S5 XXXXXX

88828 F 5A 2 4BEGINNING CORE S5 XXXXXX

88838 E 5A 4 512Fictitious XXXXXX

88848 E 5A 512 514PLAQ. GADOLINIUM-POWDER-CDE XXXXXX

88858 E 5A 514 516PLAQ. GADOLINIUM-POWDER-APPRO. XXXXXX

88868 E 5A 516 517PLAQ. GADOLINIUM-POWDER-C.FORMULA XXXXXX

88878 E 5A 517 518PLAQ. GADOLINIUM POWDER-PRESERIES XXXXXX

5. The foregoing is Greek to the uninitiated: This excerpt is nothing other than the beginning of planning of construction of a nuclear reactor core.

Nuclear Champions

Officials of the Atomic Energy Commission, unlike their colleagues in CISI, data processing subsidiary, minimize the importance of these discoveries. The main customer of this subsidiary, the CEA nevertheless claims to be little concerned:

"What we truly want to protect is directly handled by the CEA," said its spokesman on 23 November. "CISI handles only relatively 'sensitive' information. Planning of construction of a nuclear reactor core is not 'top secret' and the information that LE CANARD obtained on the Mururoa testing center is not of a nature to worry us. This data processing security problem is nothing new, but we are opening an investigation. If it should turn out that there has been negligence, then we would take the necessary measures."

How strange! The CEA, which employs a small army of private cops responding to the sweet name of "Department of Security and Protection of Secrecy," does not seem very moved. With a turnover of 37 billion francs, a large share of which is absorbed by its "Directorate of Military Applications," the CEA is undoubtedly one of the most highly protected French industrial sectors.

Construction and research on a nuclear or neutron bomb means the CEA. Nuclear submarines, nuclear power plants, the CEA also. Agreeing that top secret files are not kept in the CISI sieve, malevolent minds could take an interest in dates concerning the construction and delivery of a given element, plans to develop a given power plant. Or quite simply the very existence of a project to which reference is made.

There are spies who pound out long reports with less material than that!

CISI

CISI, which stands for International Data Processing Services Company, not only allows the leakage of information entrusted to it, but its money as well. Business is not going well: On 8 November, the company announced a loss of some 100 million francs for this year alone. The Atomic Energy Commission, of which CISI is a 95-percent subsidiary and which also remains its biggest client (a third of its activity) is getting ready to inject 200 million francs in order to prevent its collapse. Provided that no one makes off with this fresh money!

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CSO: 3519/131

RELATIONS WITH ALBANIA IN LIGHT OF NORTHERN EPIRUS MINORITY

Athens ANDI in Greek 27 Oct 84 pp 18-21

/Article by Stavros Lygeros/

/Excerpts/ After a long period of quiescence, Greek-Albanian relations have entered a phase of diplomatic mobility that will be capped by Mr Papoulias' forthcoming visit to Tirana.

The views held in the past by Athens, although they do appear to be unrealistic, are based on certain historical, legal and political facts. A common denominator of all of them is the existence of the Greek minority there.

Historical Background

Racially and religiously homogeneous peoples have for a long time lived within the boundaries of present day Albania. Besides the majority Muslim element (75 percent), there were also Orthodox elements (15 percent), as a rule made up of Greeks, as well as Catholics (10 percent). In the first part of our century, the Ottoman Empire, seeing its impending retreat in the Balkans, favored the creation of an independent Albania to prevent its being absorbed by the rising powers, namely Greece and Serbia. Moving in the same direction was Italian policy that has always shown and continues to show special interest in the opposite shores of the Adriatic and especially Albania.

Almost from the very outset, the Greek population that was embodied in the new Albanian state asked for and obtained a guarantee on the safeguarding of its rights as a separate minority through an agreement signed by Athens and Tirana in 1914. Indeed, the Albanian Government of Bishop Fan Noli was obliged to recognize the rights of the Greek minority once again (proclamation of 2/10/1921) in order to succeed in entering the League of Nations.

However, beyond minority rights, there is also an American Congress decision that talks about the return of Northern Epirus to Greece (May 1921). Noteworthy is the fact that this same body made a similar decision 25 years later (29/7/1946). The fact that Washington favored such a process appears also in a letter by Schuster, State Department officer responsible for Greek affairs (1961). Besides, it is no secret that quite a few proposals were spread about in the United States concerning the dismemberment and the absorption of Albania by Greece and Yugoslavia following the death of Enver Hoxha since his death would be accompanied by the destabilization of the regime.

The Two Elements of the Northern Epirus Question

As we have already pointed out, Greek-Albanian relations until now have been decidedly influenced by what is called the Northern Epirus problem. The innovation of the present Greek Government is the division of the two elements of this problem. On the one hand, renunciation of territorial claims, and on the other hand, insistence on the need for safeguarding certain rights of the Greek minority. This position offers a realistic framework not only for an improvement of the atmosphere but for the overall settlement and development of bilateral relations.

Despite all of these things, however, it would be a mistake to downgrade the Greek minority "thorn." Contrary to the pre-war regime that was used to exploiting for its own benefit both national and religious differences, the present regime from the very outset aimed at shaping the new Albanian citizen making equal various peculiarities.

Tirana, of course, never did deny the existence of a Greek minority. Northern Epirus associations speak of 350,000-400,000 Greeks of a total of 2,300,000 Albanians.

It is indispensable that we emphasize that any such estimate contains in itself an element of high-handedness. Tirana recognizes the existence of a minority only in the Gjinokaster region. On the other hand, estimates that speak of 400,000 also include peoples of Northern Epirus that are not of Greek origin. According to all indications, 200,000 appears to be the closest to reality. Nevertheless, it should also be pointed out that in areas where peoples of Greek nationality have traditionally lived, as for example in Korçe, the situation has radically changed today.

Policy of Assimilation

With regard to the Greek minority issue, the Enver Hoxha regime has followed a policy of assimilation rather than one of dissolution. It has pursued and has succeeded in assimilating into the broadest political elite a significant number of Greeks who in this way have identified their fate with that of the regime. Using the latter as a basis and also by avoiding actions of direct Albanization, Tirana put emphasis on an endeavor of a gradual corruption of national characteristics by highlighting those social class elements that make up the official ideology. The use of the Greek language, especially in the Greek-language newspaper TO LAIKO VIMA of Gjinokaster as well as in school education, instead of being considered a hindrance has been mobilized to serve this purpose.

There is no doubt that the Albanian regime is in certain respects repressive on its citizens. This is true even more so for the Greek minority not only because it suffers discrimination but because the general repressive measures strike all those points that make up its national characteristics. Such repressive measures include the following:

- The abolishment of all religious events, something that had been provided for officially.

- Systematic promotion of mixed marriages.
- Doing away of religious first names and "unsuitable" surnames and the taking of names primarily from ancient Illyrian tradition (23/9/1975).
- Change in Greek surname endings so that they might approximate Albanian ones.
- While up to 1966 the identity papers of minorities carried the notation of both Albanian citizenship and Greek nationality, only the former is now used.
- Change of Greek place names in the provinces of Agion Saranda [Sarande] and Korytsa [Korce].
- The Greek language is taught to the minority as a primary language up to the age of 10 and subsequently as a foreign language.
- Unequal development in the industrial northern provinces and agricultural southern provinces has created a flow toward the north, something that is facilitated by the custom of regular exchange of visits that, of course, contributes to the dispersion and consequently the absorption of the minority.
- Political isolation and lack of free communications has cut off the minority from Greeks on the other side of the frontier, a fact that is worsening because of the lack of regular postal communications.
- Finally, the disproportionate large number of Greek minority political prisoners which, according to Northern Epirus associations, is due to their persecution on the slightest manifestation of Greek national feelings.

Before proceeding any further it should be pointed out that it is very difficult to completely verify many of the above facts. They are based on systematic research carried out by Northern Epirotes. A great part of this research has been deemed reliable by third party researchers.

Mobilization of Northern Epirotes

It is true that in recent years Northern Epirus organizations have been very active. In the United States, the issue is being maintained at a very high level. In Greece, the issue is primarily in the hands of the church and certain extremely conservative circles through the "Central Committee of the Northern Epirus Struggle" headed by Archbishop Serafeim.

Papoulias-Kaplani Talks

Despite the fact that Greece and Albania reestablished diplomatic relations in 1971, the status of the belligerent situation continues to prevail. The end of this abnormal situation remains in abeyance because it is linked to a whole series of other issues in abeyance. The Greek side seeks to obtain some guarantees for the Greek minority. Within this framework it is interested in broadening the very few possibilities for free communications, in settling the issue of reparations to those Greeks who fled Albania and more broadly-speaking in developing trade and cultural relations.

There are no problems with regard to trade. Despite a drop noted in 1983 as compared with 1980 and 1981 (trade dropped from 60-70 million dollars to 40 million), Tirana, according to Mr Kaplani's assurances made in Tirana, wants to have Greece occupy the number one position in Albania's trade with neighboring countries. It seems that the results of the previous visit by Greek Deputy Minister of National Economy Georgiadis, that had resulted in the signing of a trade protocol, will be supplemented this time with the expressed mutual desire for the signing of a long-term trade agreement.

There is also significant room for the development of bilateral relations in the field of culture. An agreement is expected to be signed for official and permanent cooperation between universities, academies, etc. As a sign of good will, Tirana has created a chair for the teaching of modern Greek at the Teacher Training Institute of Gjinokaster, a fact that is increasing the possibilities for educational exchanges. Within this context, the president of the Albanian Academy of Science will be visiting Athens.

During his visit to Tirana, Mr Papoulias was expected to sign other important agreements, such as one dealing with highway transport, which when linked to the existing airline connection, will substantially contribute to the development of trade since indirect routes are as a rule being utilized today. Other agreements to be signed are those related to telecommunications (negotiations had begun in 1980) as well as cooperation in television and news agencies of the two countries. During the Papoulias-Kaplani talks, the Greek side brought up the issue of visits to Greece of old people and the sick, as well as the settlement of problems related to the interchange of mail, packages and money orders.

Gradual Reconciliation

All of the above, in conjunction with the daily opening of the Greek crossing at Krystallopigi and the Albanian crossing at Kakavia for government officials and artistic groups, constitute a significant improvement in bilateral relations and more broadly-speaking in the political atmosphere. According to existing information, during his meeting with Mr Kaplani, Mr Papoulias avoided bringing up the Greek minority issue. Everything points to Athens' aim at a gradual development of an atmosphere of confidence through continued expansion of bilateral relations, feeling that this is the best way for the safeguarding of all rights, under existing conditions, that the minority can enjoy. The Greek Government's unwillingness to permit American Congressman Eagleton to visit the Greek-Albanian border to protest the oppression of the Greek minority is consistent with this policy.

Nevertheless, no matter how much Athens understands Tirana's insecurity and eccentricity, with the result that it has in the past few months avoided any action that might dampen the atmosphere, it is not ready to move forward toward eliminating the belligerent status without securing certain trade-offs. More so, when the traditional inhibition and mistrust on the part of the Albanians ends up in unacceptable border incidents, as was the case of the recent killing of a Greek agrarian policeman.

We consider it appropriate to end this article by stressing the need for smoothing over and for developing Greek-Albanian relations not only because our country already has its eastern front open but because such a development would constitute a real contribution to the securing of an atmosphere of detente and cooperation in the Balkans. Nevertheless, it is also useful to point out that just as it is dangerous to bring up outdated irredeemable matters in bilateral relations, it is also as dangerous for Tirana to raise an issue over an Albanian minority in Greece. Articles, such as the one by Koli Tzotzi in the LAIKO VIMA of Gjinokaster (18/8/1983) entitled "The Albanians of Greece Constitute Part of the Albanian Diaspora," in conjunction with certain moves made on Greek lands, many not in themselves constitute an official raising of such an issue but they nevertheless do justify raising suspicions that they are aimed at preparing the ground for such an action. Many maintain that Tirana, even if it is acting in a discreet manner, will promote this issue because it is interested in creating a counter-balancing measure to the pressure that the existence of a Greek minority represents.

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CSO: 3521/96

FORMER PASOK OFFICIAL'S RESIGNATION TERMED 'TIME BOMB'

Conclusion Still to Come

Athens ENA in Greek 18 Oct 84 p 11

[Excerpt] The affair presents the following double paradox: How can the centrist turn by PASOK be reconciled with the turning away of a distinguished centrist in the movement, and how on the one hand can PASOK anxiously search for centrists who are willing to work on its staff, and on the other hand do nothing to retain a genuine centrist? In fact, when A. Fotilas did not rule out the possibility of cooperating with the ND, the reactions of the pro-government press ranged from a sigh of relief to affirmative exclamations.

"This phenomenon has its explanation," observed a veteran minister of the Center who in recent times has known from close up this flirtation by the circle around A. Papandreou. "On the one hand PASOK wants to be centrist, but it does not want a centrist policy. And in essence," adds the former minister, "it does not want energetic centrist political figures. It is seeking centrist hawkers who will be willing to accept every facile and cheap 'leftist policy' PASOK espouses."

The brief history itself of A. Fotilas as a part of the government offers the best proof of the truth of this assertion. When his release from the Ministry of Foreign Affairs was accepted uncomplainingly, the premier "assessed" his attitude: In the shake-up of July 1982 he rewarded the former deputy minister for the "steadfastness" which he had shown. But when the same person tried to formulate political views and specific differences of opinion, what was in store for him was the public stigmatizing of June 1984--"you allowed yourself to play such a deplorable role within the movement"---and the conspiracy of silence about the content of his report.

It seems that A. Fotilas was prepared for this silence about the content of his report. After all, it was for this reason that he took care to divulge his issue in essentially three separate doses: First, with his letter of resignation, then with the announcement of his withdrawal from the party and the publication of his report, and after that with his regular interjections in the news with statements to the press. Moreover, as the ENA is in a position to know, in recent days A. Fotilas constantly

consulted his friends and associates as to whether conditions were ripe for the publishing of his report.

In any case, it is certain that the volleys which the former deputy minister of foreign affairs has at his disposal have not been completely exhausted in the 16 typewritten pages of his memorandum. Faithful to the indomitable law of the necessity for reserves, A. Fotilas has kept for a more fitting time certain "black pages" in PASOK's 3-year history of governing the country. Moreover, PASOK officers attribute to this fact the attitude of silent disapproval which he is maintaining toward his formerly close associate and personal friend, the premier. He wants to avoid not only a difficult dialogue about all the charges which the former deputy minister has already publicly made, but also the follow-up to this, which perhaps will turn out to be even more painful.

It is worth noting that a public response to Asimakis Fotilas is being demanded by officers of PASOK's left wing, who want--via a public censure of the centrist criticism of A. Fotilas--to bind the chairman of PASOK to more leftist positions and to thwart the new "assault of the failed centrists," as they call the further broadening towards the Center which the premier is promising.

The upshot is that the report by Fotilas, with the sensation which it has met but also with the distractions which it provokes, constitutes a serious roadblock on PASOK's journey towards a new capturing of the Center.

Fotilas Urged to Tell All

Athens POLITIKA THEMATA in Greek 19-25 Oct 84 p 12

[Text] The worsening of relations which is being observed in top agencies of public life and in "meta-agencies" such as the press will not find us in concurrence--and above all will not find us going along with it.

The exchange of insults at the level of an insane asylum does not, of course, serve either to inform or to promote the public interests.

Fotilas ought to remember always that he collaborated for a long time to help rise to power the party against which he is now hurling accusations. And if he feels that he is obligated to defend himself, he is not justified in alluding to situations in which--if he knew them previously, as emerges from his statements--he should have refused his cooperation.

At bottom, if for the premier there is an extenuating circumstance due to the displeasure which he was given by the withdrawal of an associate whom he had personally chosen, Fotilas does not have any. Because he would have passed over in silence the things which he says after the fact, if the stance of the premier toward him had been different at the time of his disagreement.

In any case, after the things which he said Fotilas now has only one obligation: To say what he knows and to stop threatening with insinuations which give dimensions to the affair which are greater than whatever may be the truth.

Fotilas Interview

Athens I VRADYNI in Greek 15 Oct 84 p 8

[Interview with former Deputy Minister of Foreign Affairs Asimakis Fotilas, by Titos Athanasiadis]

[Excerpts] The PASOK government is suffering from ideological stiffness of the joints, it is spending all its activity in theorizing, and its members completely lack experience. In addition the immediate associates of Andreas Papandreou are being chosen almost solely on the criterion of their blind devotion to him. And if they did not enjoy his favor, they would be of no concern to the public today. They would not be anything....

These remarks are made to I VRADYNI by the former deputy minister of foreign affairs, Asimakis Fotilas, who resigned from PASOK 10 days ago, in his first exclusive interview to an Athens newspaper following his resignation from the movement on 4 October.

Mr Fotilas, who was one of the oldest and closest associates of A. Papandreou, sketches the premier with boldness, with frankness, and with objectivity, he characterizes PASOK as the most "personality-oriented" party which the country has known in recent decades, and he charges that political life has fallen into a morass. "There is not simply slowness of movement"--he stresses--"but actual immobility."

Also Fotilas implies that Tsokhatzopoulos was transferred to a new ministry because he was unsuccessful at the Ministry of Public Works, where projects such as the "metro" and the "airport" had been blocked!

The text of the interview of Asimakis Fotilas with I VRADYNI is as follows:

[Question] How would you describe Papandreou in general terms as a political figure before and after 1981?

[Answer] Andreas Papandreou is indisputably a charismatic personality, above all with regard to having a rare blend of intellectuality and popular appeal. And I use the two terms in the best possible sense. Thus he has managed to construct an image such that while he is esteemed for his mind he is not isolated by this and within this.

For the period prior to 1981, this blend proved to be irresistible in attractiveness. An attractiveness which was exerted by the gap which separates the electioneering balcony from the public square.

After 1981, and to the degree that it was needed, this almost metaphysical charm continued to be maintained, and perhaps this blend even continues to

be effective. But it is experiencing some wear and tear. Because in the practical exercising of power it cannot operate as a blend. It operates as separate factors, depending on the case. As indicative of this I will mention that the factor of intellectuality often creates for him an almost dangerous tendency to put an excessive trust in the professorial figures with whom he is linked by his university past, thus forgetting that which Bismark said: "Drei Professoren der Stadt verloren" ("three professors and the country was lost").

But just as war is too serious a matter to entrust to generals, so policy is too serious to be turned over to professors and theoreticians.

On the other hand, his populist tendency induces him to handle with rhetoric the need for substantial accomplishments, to such a degree, I think, that this is reaching the point where he is deluding himself, whereas his outward persuasiveness is constantly diminishing.

In any case, it is a fact that his dominance within the movement is indisputable, and this makes PASOK the most personality-oriented party which the country has known, at least in our generation.

Shake-ups, Quadrilles

[Question] The continual shake-ups using the same persons have almost given the impression that PASOK has a shortage of officers. Is this in fact the case, or are there other reasons for using the same officers?

[Answer] A. Papandreou himself has a strong political instinct, in contrast to the bulk of his "chosen vessels." This permits him to have a feeling for when substantial achievements are lacking. But because he is dominated by the characteristics which I mentioned above, he turns again and again to the same selections in which he has been involved when it is a question of personal choices and a search for personal devotion. I am speaking about blind devotion. But as is natural, this devotion is found within a circle of persons who are preoccupied by the feeling that if they are not ministers or officers more generally who enjoy the favor of A. Papandreou, they are quite simply not anything.

Thus instead of the reshufflings and shake-ups expressing new political choices, which might have been the conclusion arrived at by a classical political analysis and line of reasoning, they end up showing a picture which resembles...quadrilles in the government. Changez des dames. Changes des cavalliers!

[Question] In your opinion, what is the new role of Tsokhatzopoulos?

[Answer] I find it difficult in any case to believe that Tsokhatzopoulos is expected to give a more practical political tone to governmental tactics dominated by theorizing. I fear that the opposite is likely to happen.

ESTABLISHMENT OF NEW CENTER PARTY SUGGESTED

Athens MESIMVRINI in Greek 1 Nov 84 p 5

/Excerpts/ How long are you democrats of the Center going to remain silent spectators? How long are you going to remain uninvolved while our country is sinking in an unprecedented social, economic, moral and cultural crisis--with an unforeseen and dark ending?

How long will you tolerate without protest the usurpation and exploitation of the great democratic area by other parties--which are anything but centrist and democratic?

How long are you going to wait, politically neutralized, to have something done by others (not by you personally!)--until the betrayed people of the Center feel a creative anger again?

How long will you avoid seeing face to face the national need for a new beginning of the Center with new, unspoiled individuals, having modern and realistic ideas, with a daring and inspired Greek political word, with a radical and progressive program--and with your personal participation--so the giant of the Center can reawaken?

Can we achieve the Center's political rebirth? Can our camp replay its historic pioneering role? Yes, it can. This is how. We must stop having as our political choice the bowing of our head to foreign blackmailing forces. We must clearly understand that the hour of the Center has come again.

For this reason we call on you to join your forces with us so we can build from below a new political organization of the Center, untouched by the errors and weaknesses of the past; so we can build together a true centrist party of principles which, manned by genuine democrats and built with democratic processes, will not depend for its fortunes on the persons who each time hold the posts of leadership.

Only in this way can the giant of the Center reawaken--with democratic unity and cooperation.

Come With Us for a New Beginning

The preliminary work which will lead to the rebirth of the Center has already been done. The shape already exists. For this reason we established the DEMOCRATIC GREECE 114.

An Opening to the Dialogue and New Ideas

Our party does not present any leader/Messiah (the Greek people have a bitter experience). It does not have a party establishment and private groupings. It aspires to become the honest arena in which our country's new democratic leadership will emerge through a constant dialogue with the popular forces, in a free exchange of new political ideas, through open procedures.

The temporary Political Office of the DEMOCRATIC GREECE 114 is working for the preparation of our First National Congress.

Therefore, take part in the creative political beginning. Give us a call or write to us today so we can send you our printed material. Get to know first hand (not from irresponsible rumors) the DEMOCRATIC GREECE 114. Judge for yourselves as it befits a democrat. And then come to meet our cadres and take over the sector of your political work.

The hour of the Center has come.

Decide now.

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CS0: 3521/69

INTERNECINE STRUGGLE IN PASOK: 'GERMANS', 'AMERICANS'

Athens AKROPOLIS TIS KYRIAKIS in Greek 21 Oct 84 p 3

/Excerpts/ What is behind the war between the "German" and "American" confidantes of the premier? It was portrayed as a revolutionary invention which would change the face of the Greek economy; an invention which could be applied to every engine which uses gears--from watches to cars, tanks, helicopters, boats and airplanes.

The foes of the invention say "no". The apparatus, they say, shows unstable rates of revolution; it does not transfer power smoothly; it causes high temperatures during its operation; and in general, it is uneconomic.

Up to this point we could say, fine...We have a disagreement among experts, caused as each side reached its own technical conclusions. Yet, the invention became the cause of a fierce feud which loomed between the Germans and Americans in PASOK.

Who-Whom

It is absolutely natural and possibly "healthy" to have different views and tendencies within a party. But what happens in PASOK goes beyond political hysteria.

Lately we see the Germans, that is the group of cadres around Akis Tsokhatzopoulos, accusing the American technocrats under Ger. Arsenis, not about a possible political or narrowly partisan mistake, but saying that they "serve" organized interests and have connections with the masons. Finally, they are asking for their removal from the party and their political elimination.

We then see the Americans under Papandreou's full protection, "getting on top," acting like "innocent doves," and turning the charges about "organized interests" against their opponents.

Until recently we saw confrontations between Marxists and centrists, deputies and partisans, and Kastri (the premier's residence). Now we see a deadly fight within the very power center of the governing party--in Kastri.

The Germans and the Americans, two small groups with leadership connections in the party machinery--who are disliked by the PASOK rank and file and by other cadres--now find themselves suddenly in a battle formation

Dirty Linen

These two feuding groups in the Movement do not express any ideological theses--not at all--they depend exclusively on the rise of their theoretical leaders (Tsokhatzopoulos and Arsenis) within the party. These individuals are two of the most trusted associates of the premier in the cabinet.

This explains why the struggle to survive, to gain Papandreou's exclusive favor, and eliminate the other comrade, has led to the revelation of real or imaginary scandals against the other side.

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DOUBTS EXPRESSED ON BUDGET SOUNDNESS

Athens 1 KATHIMERINI in Greek 2-3 Dec 84 p 9

/Editorial/ If one examines the budget submitted by Finance Minister Ger. Arsenis /sic/ which was prepared with the invaluable assistance of National Economy and Finance Minister Ger. Arsenis (!), he will get the pleasant impression that our country implements a true, popularly approved fiscal policy based on a normally and productively developing country.

However, if one peruses with some critical disposition this important economic text--so important that it forced the premier to increase to 10 his total appearances in the Chamber of Deputies since he formed a government--he will lose this first pleasant impression. Worse still, he will develop well-grounded suspicions that this text hides both the fiscal and national-economic truth.

The budget's author claims, for example, that revenue will increase by about 30 percent compared to that of the 1984 level. But since--as Arsenis made clear on TV--inflation next year is not expected to surpass 16 percent; since it cannot, as of this moment, be estimated if the national income will mark an increase and by how much so as to increase the real taxable material; since no new indirect taxes are about to be imposed while the income from the direct taxation of salaried services will decrease by 27 billion drachmas as a result of favorable adjustments; and since the public sector is not about to borrow much more than it did this year, where, then, will all this revenue come from in addition to what inflation justifies nominally?

The report accompanying the budget claims that this income will come from the "effective apprehension of the material liable to tax." This is a myth. If this claim was fulfilled in all fiscal years which state that they base the increase of their income on the apprehension of the taxable material, not a single drachma would be lost from the grip of the tax authorities and the state would not be sinking the economy more and more into checking loans--loans which are the only source for carrying out the social and "socialistic" government policy; loans which are not admitted in their entirety and which aim, at least, at an increase in production so the state budget can restore the sources of its income.

Indeed, why does not the budget mention anywhere the state's obligations to creditors of the problematical enterprises which PASOK undertook to "put on

their feet" and which--as Arsenis has said--the state will not restore to the private capital enterprises which from now on will be burdening both the capital and, through the increased interest, the public treasury and, therefore, the taxpayer? And how come the state is undertaking such an productive role? How come PASOK is promising an independent economic development? Why is the aversion to the private initiative being repeated and why...5.8 percent of the investment budget's total outlay will be assigned to the industry, the broadened industry of the state sector?

Will the "independent economic development" be achieved with outlays of 16 billion drachmas the investments' budget provides? Or could it be that "healthy" investment money will be drawn from the nationalized banks? But these banks are already as "profit producing" as the...fertile land of Ethiopia! No one pays interest of about 300 billion drachmas of the "problematic" credits--an interest which exceeds by far the total of the problematical enterprises' annual profit. At the same time the good, reliable customers become fewer and fewer. Therefore, margins of true profits are also limited...

Despite the government's self-satisfaction in the "reviving" economy and the "developmental" popular budget of socialist inspiration, the truth about the progress of the national economy is found in the decision the plenum of the Greek General Confederation of Labor /GSEE/ reached 2 days. The PASOK-controlled GSEE majority declared that any income claim is not useful to the private sector of the economy! This means that next year the income of the working people will be considerably less than this year! How can it be otherwise?...

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LABOR, LIBERAL PARTIES EXPLORE COMMON GROUND

Rotterdam NRC HANDELSBLAD in Dutch 23 Nov 84 p 7

[Article by Kees van der Malen: "PvdA and VVD Continue to Dream of Coalition Without CDA"]

[Text] "The advantage of governing with the VVD [People's Party for Freedom and Democracy] is that then you don't have to govern with the CDA [Christian Democratic Appeal]." This statement was made by PvdA [Labor Party] strategist Marcel van Dam. His words are as succinct as they are well-chosen in expressing the fact that cooperation between the PvdA and the VVD is at most a matter of opportunism and at any rate not one of mutual love.

Marcel van Dam is not one of the authors of the publication which appeared today entitled "Illusion or Model Alliance" in which the "limits and possibilities" of a PvdA-VVD coalition are explored. The publication consists too much of an accumulation of mutual kindnesses, in which Van Dam's cynical truth would be ill-placed.

"Illusion or Model Alliance" serves as a commemorative volume for the 30th anniversary of the Telder Foundation, the VVD scholarly bureau. The Telder Foundation has tried and is trying--with an emphasis on economic policy--to bring the VVD and the PvdA closer together, or at any rate into discussion with one another.

Dreaming

At least segments of both the PvdA and the VVD have been dreaming with varying intensity for a good number of years about entering into a coalition, or rather of not entering into a coalition with the CDA. Initially, this took place only within the safe confines of the Des Indes hotel in The Hague; for several years there have also been occasional discussions in public. But this development remains in fact for the time being the only bit of ground that has been gained.

It is well-known that socialists and liberals are able to get along on a regular basis in insubstantial matters, but that in truly substantial matters--socio-economic policy and defense policy--they are still far apart.

But reality, and with it the relationship between the two parties, is changing. Polarization between the VVD and the PvdA--and enticing Christian Democratic voters from the center--is no longer a weapon, as political scientist Maas assesses the situation. The conclusion is that relations between the two parties can thus be more matter-of-fact.

Secondly, the character of the two parties has changed, according to the director of the PvdA scholarly bureau, Van den Berg. The VVD has moved from being a party of the elite to being a broad-based people's party, while the PvdA has remained even less a workers' party. Through this, the supporters and rank and file of the PvdA and the VVD are gradually becoming less distinct, while members of parliament from the two parties no longer come from different worlds either. The conclusion is that this change as well is leading to greater matter-of-factness.

In fact, it is less the case that dogma in its own right is being thrown from one fence to the other like hand grenades. And certainly, the two-way "arch-enemy image" built up and cherished during decades of mutual exclusion is making way for understanding. But understanding alone is not enough for forging a coalition.

If anyone is still in doubt, Nijpels and Den Uyl are at any rate putting an end to this illusion. Here as well, what is crucial is not mutual understanding, not even the political program, but the question of power.

Hard Wood

Den Uyl, who makes his judgements sitting on the hard wood of the opposition bench, would find it especially "useful" to force the CDA into the opposition. This man, under whose leadership the PvdA first excluded the VVD as a coalition partner in 1967 (the VVD had blockaded the PvdA beginning in 1959), warns his supporters of too much optimism in view of "great historical and ideological differences." For Den Uyl, the VVD continues to be essentially "the party of the well-to-do."

Nijpels, a passionate advocate of PvdA-VVD cooperation (he previously attended the talks at Des Indes), must as a political leader no longer follow his heart, but rather use reason. And that leaves him with the very obvious conclusion that cooperation with the PvdA is very unattractive to the VVD. "In a coalition with the PvdA, it is not inconceivable that the VVD could be entirely crushed between a CDA operating on the Right and the PvdA working on the Left," Nijpels said.

For the breakthrough party of the 1970s and 1980s, it would mean in particular that many of the so successfully recruited religious voters would immediately find their way back to the old CDA nest. Out of self-preservation, Nijpels thus supports a continuation of the "love-hate relationship" with the CDA, meaning working together in one coalition as well as pulling together from the same pool of voters. Things have at least not gotten worse for the VVD using this formula--so far.

Paradox

The paradox of the two statements is at any rate striking. Den Uyl really does not want to, but acts as if he does, while Nijpels does (or did) want to, but says that he can't. In this way, talks concerning a PvdA-VVD coalition, whether they take place within the confines of Des Indes or in broad daylight, continue to be particularly non-binding. One thing can serve equally as a comfort for both parties: it is always a nice thought to imagine once in a while the Christian Democrats out of power.

Is a PvdA-VVD coalition then entirely impossible? In past years, the argument most often used, which is slowly becoming the most threadbare one as well, has been: not right now, but during the next cabinet formation. In the VVD it is thought that if Wiegel is gone, then there are possibilities, but Nijpels provides larger than life proof of the opposite. In the PvdA there is for the time being no life without Den Uyl and thus with near certainty, for the time being, no life with the VVD.

Should the VVD and the PvdA thus continue their endeavors for a coalition? The owner of Des Indes appears for now to be the only party who will voice an unqualified yes.

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CDA'S OOSTLANDER ON RELATIONS WITH PEACE MOVEMENT

Rotterdam NRC HANDELSBLAD in Dutch 29 Nov 84 p 3

[Article by religious life editor Frits Groeneveld: "Director Oostlander of CDA Scholarly Institute Sees Peace Council Moving Closer to His Party: 'The IKV Must Stop Admonishing the CDA'"]

[Text] After having scarcely or not at all looked at one another for many months, the CDA [Christian Democratic Appeal] and the Interchurch Peace Council (IKV) again met for discussions this morning in The Hague. Director Oostlander, 48, of the CDA scholarly institute was looking forward to the talks because since the cabinet decision of 1 June on cruise missiles, the IKV "has been nestling up to the CDA."

Behind a cabinet desk, the writing table of anti-revolutionary statesman Abraham Kuyper (1837-1920), and with an entire library of Christian political book within easy reach, sits Arie Marinus Oostlander, the director of the CDA scholarly institute on Dr Kuyperstraat in The Hague. He is one of the instigators of Christian Democratic thought on peace and defense issues, the formulator of planks in the party platform, whom in his own words practically no one in the party knows well, because Christian Democratic thought has been poorly kept up with over the last 20 years. With the result that CDA members are often hard-pressed to defend themselves when addressed or attacked by the peace movement.

Our conversation is about a change in course by the peace movement, about the dead-end path that peace activists have supposedly followed and about the fact that the IKV has in recent months "been nestling right up to the CDA."

The flowering of the Dutch peace movement has passed, and according to Oostlander (a clinical and experimental psychologist by training) this flowering has nothing to do with presumed (in CDA circles as well) foreign, Soviet-Russian influence. According to him, the peace movement is "an essentially Dutch phenomenon with deep roots in the nation's history." Here he is not thinking of the neutrality of the 1930s, but rather of the baptist movement of the 16th century, the religious movement of anabaptists (or Mennonites), which preceded the reformation of Luther and Calvin.

Resentment

"That was a movement of terribly great resentment about the fact that the Biblical message has come to pass in the evil world to such an incredibly small extent, that there exists such a great distance between the Kingdom of God and the actual, worldly situation," with the result that baptists turned their backs on the authorities instead of involving themselves actively in politics. The director of the CDA institute believes that this baptist resentment has become a steady, indigenous component of Dutch national character. It can lead to radical action, but in the absence of success can also turn into total "shunning of the world."

Because Mennonites and those people under their influence do not feel that the complete rejection of politics is ultimately the best way to improve society, a fitting attitude is that of "revolutionary submission," which stresses the unimportance of the state, is nonviolent and can lead to civil disobedience, according to American Mennonite theologian J. Howard Yoder, author of "The Politics of Jesus" (1972) and "The Christian Witness to the State" (1979), as cited by Oostlander. According to Oostlander, this means an attitude of not talking with, but rather talking at politicians; to approach politics on the basis of one point--nuclear arms, for example--in order to thus agitate against the entire workings of politics.

This approach--according to Oostlander typical baptist radicalism--forms in his opinion an excellent Christian breeding ground for action groups. In his opinion, baptist traits are exhibited by the Reformed church as well, with its binding synod pronouncements against cruise missiles, statements with supposedly too little foundation or based on quasi-scholarly arguments.

Fortunately there is talk of a turnabout, Dr Oostlander says, because "movements that prefer prophetic impulsiveness and are averse to rational arguments are not after all destined to lead a very long life." "When I am negotiating with the peace movement, I try to move things beyond the statement that nuclear arms 'are in conflict with God's plan of salvation for the world.' Of course these weapons are an evil, but the devil can be found everywhere else as well--including in Eastern Europe. The leaders of the peace movement, who like Faber have learned from their negative experiences, are now beginning to understand this as well. Their tone of superiority has disappeared. Over the past few months, the IKV has crept over in the direction of the CDA. Mient Jan Faber finally acknowledges that we in the CDA are also seriously at work in the politics of peace. There is really no question of a change in front. The IKV is growing towards us."

Oostlander recalls in this sense unpleasant experiences at the beginning of 1983 in the Consultative Organ Against Nuclear Arms, a "discussion club" that came into being in the days of the struggle against the neutron bomb.

In addition to all elements of the peace movement, this club also includes the labor unions and the political parties, from CDA to GPN [Communist Party

of the Netherlands]. Among many in the Consultative Organ at the beginning of last year, including IKV secretary Faber, there was a large degree of understanding for the CDA position that slogans against nuclear arms must have a worldwide tenor and cannot be primarily oriented against Western armaments. It was moreover clear that in the peace movement wielding the slogan 'Rid the world of nuclear arms, beginning in the Netherlands' there was a large amount of doubt about that slogan. Faber also had doubts. But what happened? He was under so much pressure from the Evangelical People's Party and the PSP [Pacifist Socialist Party], parties that found the presence of the CDA in the Consultative Organ quite awkward anyway, that he created the outward impression that we had shifted over to the IKV, while practically everyone agreed with the CDA line. Quite unpleasant. But now things are better. Faber is gone; he wants to get away from this business of depositions and would truly rather enter into political dialogue instead of screaming against politicians. That is also true for other IKV leaders, except Hogebrink, who is still obsessed with distrust of 'politics' and thinks that all politicians are rogues."

Betrayal

Oostlander: "Now that the IKV is around the bend, I would like to know from them what their campaign plans are for the coming year and how they plan to interact with the churches. It was only with difficulty that they gained their support for the radical line, but now that the IKV leadership has changed its mind, the question is what they are now going to do with churches. The change in policy is seen by various church leaders, for example by Reformed leaders, as a betrayal. They're furious.

"We in the CDA have to make our position clearer as well and let it be known what our peace and defense policy is. We and the IKV cannot continue to talk around one another indefinitely. If they would only stop admonishing us and challenging us, then we would be prepared as well to formulate more clearly our attitude towards nuclear arms."

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GREENS INFLUENCE POLITICAL PARTIES BY STAYING 'OUTSIDE'

Helsinki HELSINGIN SANOMAT in Finnish 30 Oct 84 pp 3, 18

[Commentary by Matti Virtanen]

[Text] Norway's Greens Operating in the Parties

Party politics is not controlled by the Greens even though they are operating within the traditional parties and are exerting an influence through them.

The environmental movement has not established its own party in Norway. Nevertheless, activity is not nonpolitical, the respected citizens' organization Framtiden i vare hander [The Future in Our Hand], which practices politics in the corridors of parliament, makes certain of this.

The leader of Framtiden, writer Erik Damman, talks in a series of HELSINGIN SANOMAT articles devoted to Europe's Green movement.

A rather favorable atmosphere for the rise of the Green Party has prevailed for a long time already in Norway. In Norway's nature-oriented and Christian-moralist lifestyle and attitudes there would be sufficient materials for supporting a politically green movement, but faith in the traditional political parties has turned out to be clearly more durable than in Finland.

The color green is visible in Norwegian politics, but within the old parties.

Of the seven parties represented in parliament, four have declared that they represent a Green ideology.

The public movement supporting Green values outside of the parties is better known in Norway by the name "alternative movement". The Nordisk alternativkampanje or the Nordic Alternative Campaign, which is a loose union of the peace movement, the environmental movement, feminists, and a solidarity movement involved in the problems of developing countries, has functioned as a cover organization for the movement since its establishment in 1981.

Even though Green concepts have gained support among all the parties except for the extreme right-wing Progressive Party, the alternative movement has more than enough to do.

For example, the environmental movement has recently drawn attention to the rather high content of heavy metals observed in Norway's fjords and to the pollution of the North Sea.

Sorfjordet, the southern branch of the Hardanger Fjord in Western Norway has been disclosed as the "world's most polluted fjord" in measurements conducted by the Norwegian Water Research Institute.

Etna Dam Project Provoking Anger

A hydropower plant planned in the village of Dokka approximately 100 kilometers north of Oslo has become the thorn in the side of environmental movement this year. According to the environmentalists, the electricity to be obtained from Etna's 80-meter high dam and power plant will not in any compensate for the loss of the beautiful valley which will become inundated with water.

The Natur och ungdom organization, which represents the youth of the environmental movement, has waged a fierce war of words against the government's "Greens" or the Christian People's Party and the Center Party because of the construction plans on the Etna River. Many are already betting on a new Alta encounter around Etna, but the politicians in favor of the power plant are not afraid of the environmental activists, who this time do not have angry Lapps to support them.

The peace movement has concentrated its efforts on the struggle against nuclear weapons. In a Norway which is closely tied to the Western camp the majority of the alternative movement people also supports NATO membership, but U.S. nuclear weapons fill them with terror.

The Norwegian alternative movement supports the establishment of a Nordic nuclear-free zone at least as enthusiastically as the Finnish Government.

The movement promoting assistance to developing countries, for its part, continues to be dissatisfied with official development aid even though Norway's aid is 1.15 percent of the national product or greater than in any other industrialized country.

Reidun Bruusletten, the current minister of development aid, intends to increase the amount to 1.7 percent. The representatives of the alternative movement, however, do not believe that the present bourgeois government will accomplish the minister's plan.

European Community and Nuclear Power

The roots of the political alternative movement in Norway reach back approximately 15 years to a time when the question of Norway's entry into the European Economic Community (EC) heated up feelings within the parties.

It became impossible to resolve the question of joining by progressive democratic means and the matter was worked out by an advice-giving referendum, in

which party lines broke down and the majority of citizens rejected full membership in the EC.

At the same time large industry urged the politicians to approve the supplementation of energy production based on hydropower by the construction of nuclear power plants. The resistance encountered in the communities in which the power plants were to be built forced the politicians to back down.

At the beginning of the current decade Norwegian democracy had to face a test of fire more difficult than the EC and nuclear power when a 20,000-member popular movement began to defy the decision of parliament to build a power plant on the Alta River.

The environmental movement and the Alta movement led by the Lapps were, however, forced to admit defeat to the state machinery after a 3-year struggle: work on the dam is progressing at a good pace.

The Norwegian party rank and file, which is dominated by the Social Democratic Workers' Party and the right-wing Høyre [Conservative Party], has withstood the rise of Green ideas quite well.

The European Community, nuclear power, and Alta were all new kinds of questions in Norway's domestic politics, but they did not cause any significant breaks or new factions within the party rank and file.

An Alternative Corridor Politics

Even though Norway's Green movement has remained outside of party politics, it has not hid behind a nonpolitical mantle.

The influential citizens' organization, Framtiden i våre hender (The Future in Our Hands), representing Green values functions permanently at parliament as any other interest group lobbying or politicking in the corridors of parliament.

The chief ideologist and leader of Framtiden, writer Erik Damman, sits in his office on Oslo's Torggata. Approximately 20 people are employed in the organization's main office. A number of bicycles stands in a row in the office hallway. The wall calendar shows yesterday's date.

Damman's thinking is that the Green movement should not begin politicking within the framework of its own party: "No movement seeking an alternative can monopolize these ideas for itself since this could result in a political struggle in which the new ideas would be destroyed".

Damman began organizing the Framtiden i våre hender organization in the beginning of the 1970s. At that time he published a book by the same name, in which he stated that present economic development will result in ever increasing misery in developing countries and personal tragedy for people in industrialized countries. Damman's ideas have gained more and more supporters over the years. Presently there are approximately 25,000 dues paying members.

The Future in Our Hands is in many respects reminiscent of a political party. Even though the focus of activity is on developing countries, sufficient attention is also given to domestic affairs in the organization's skillfully edited FOLKEVETT.

Concern for the Future

Damman's organization also conducts polls on the political opinions of Norwegians by means of private research institutes. It became clear in a poll conducted last fall that 62 percent of Norwegians believes that evening out income distribution will alleviate social problems threatening us in the future and would also be prepared to reduce personal income.

An issue more academic than the Alta struggle is clearly close to the heart of the Norwegian alternative movement this fall: A joint Nordic "alternative future" research project initiated by the Norwegians is receiving millions of kroner in state support and scholarly prestige.

The project, which has been mentioned as the most extensive social study of the Nordic countries, will employ dozens of researchers in the near future. Petitions of support, which include more than 20 trade unions as well as the majority of the Norwegian intelligentsia and bishops so far, have been accumulated since the spring of 1982 in support of this research for an alternative future.

Venstre's [Liberal Party's] Green Does Not Generate Support

Among Norway's "Green" parties, the greenest is Venstre, which now has two representatives in parliament. Venstre's political future is now completely dependent on the alternative movements; environmental protection and development aid cooperation are its causes.

However, even as a proponent of Green ideas Venstre is a party waging a struggle with death: recent opinion polls indicate that it will clearly receive less than 4 percent of the votes in next fall's parliamentary elections.

Chairman Theo Koritzinsky of the Socialist Left Party recently offered Venstre an election alliance in next year's elections, but Venstre for the time being has rejected this red-green straw for a drowning person.

An election alliance violating the traditional right-wing-left-wing border would have been a truly historical event: the most important watershed in Norwegian politics continues to run between the left and the right.

10576

CSO: 3617/36

URGENT PSD PROBLEM: SELECTION OF PRESIDENTIAL CANDIDATE

Lisbon DIARIO DE NOTICIAS in Portuguese 9 Nov 84 p 2

[Article by Encarnacao Viegas: "Ideological Differences Complicate Selection of PSD Candidate to the Presidency"]

[Text] The first idea that comes to mind when one enters the Social-Democratic sphere for an attempt at an analysis of the hypotheses which arise for the nomination of a PSD [Social Democratic Party] candidate to the Presidency of the Republic in the elections scheduled for the last quarter of next year, is that all the sectors of the party are acting with great hesitation. Even in areas where there appears to be a more accentuated unity around the presuppositions of selection, there is observed some fear in selecting a name because none of those indicated deserves complete agreement or arouses the unanimity required.

Does this mean that there are many "presidential personalities" in the PSD and that the party is facing a problem "of selection?"

We believe that no one would dare to make an affirmative reply in that respect. Without a natural leader, lacking charismatic figures around whom great rallying movements can be mobilized, the Social-Democrats are not even sure yet as to the rejection of a military candidate. The only valid principle which appears to have some support is based on the concept of a candidate capable of earning the support of other political forces, specifically in the second round when the confrontation would be between Mario Soares and another.

On the other hand, it is not entirely certain that Soares is going to be one of the pretenders to tenancy at Belem Palace. And, according to the electoral arithmetic of some, his participation is not assured in the second round either if Cunhal continues to fight that candidacy and if the so-called Eanists were to make a noticeable inroad into Socialist fringes, particularly among the unbelievers who waver between abstention and the refusal to cast their votes for the Socialist leader. However, that is another question.

The Reason for Conflicts

It would be, however, naive to believe that the difficulties of the PSD in nominating a candidate for Belem result only from the choice of a name, or if we want, of a personality with enough credibility for unifying members and sympathizers, and also for attracting the neutrals in enough numbers to insure election.

Similarly, it is rejected that the absence of a strategy, whose definition in principle will be the task of the National Council at the Viseu meeting, is the great obstacle, or even that the lack of a profile behind the delay in the nomination, which Mota Pinto always sought to extend until January with strong probabilities of providing water for his mill, which means to take the meeting of 25 January to a new postponement, gaining in that way the minimum time required for seeking a negotiated solution which may, specifically, be extended to external areas.

If we dwell in some depth on the identical nature of the reasons for the divisions of the Social Democrats--in this as well as other matters--we would see the basic problem with some clarity: the existence in the party itself of two political philosophies that are not compatible because of the antinomy of the concepts on which they are based.

With the question of the presidential elections posed in these terms, the hesitations cease to be strange and the suggestions of some pressure groups are understood because those who yearn for the Democratic Alliance and who have already forgotten the failure of its government, believe the resumption of that political line, to say nothing openly of the assumption of the theories of bipolarization, to be a normal procedure, which they prefer as the political pattern for the country. This would leave the PS [Socialist Party] alone because of its growing distance from the Communist Party.

Along that line of behavior, there appears the need to nominate a "hard-liner" for the Presidency of the Republic with the democratic legitimacy to support a strong government supported by the legislative majority, so as to be able to accomplish the constitutional and institutional transformations wanted for Portuguese society.

As men capable of fulfilling that plan there appear Alberto Joao Jardim, in the front line, and Daniel Proenca de Carvalho. However, if the islander arouses some reservations because of his verbalism which is not compensated for by the populist nature of his political action, the second--despite the image created during his membership in the management council of the RTP [Portuguese Radio-Television] does not entirely give the guarantees which a certain rightist faction demands in exchange for its support.

There also arises the doubt as to the acceptance by Proenca de Carvalho of a candidacy, whose objectives lead to a renewal of the divisions among the Portuguese, since it is known that the former president of television is a former member of the PS, whose "desertion" took place because of his known

refusal to submit to ideologies because he adopted a position above and beyond them of a proclaimed realism and because he was a defender of a broad consensus of democratic forces in the search for solutions to the crisis, which at the same time totalitarian sectors seek to prolong.

Another obstacle also arises: the acceptance by the Social Democrats of the nomination of Proenca Carvalho. He is not a member of the PSD, therefore not fulfilling a condition tacitly accepted by all parties involved in this difficult process of selecting a PSD candidate for the presidential elections. However, that would be a detail of minor importance!

Proenca: the "Equidistant"

in theory, the proposal of nominating a Social Democratic candidate for the Presidency of the Republic is up to the Political Commission of the party, which will have to have it ratified by the National Council and probably by the Congress itself. It therefore becomes in practice quite improbable that groups considered minority groups can make their points of view prevail in this matter.

Up to now Mota Pinta has systematically postponed the debate on the presidential "dossier," arguing the extemporaneousness of such discussion. However, it is not obvious that such behavior should deserve the support of the entire executive body of the Social Democrats where, it is worth recalling, there are those who do not completely exclude the hypothesis of a military man (read Firmino Miguel) and one of its most prominent members, Rui Machete, advanced the equidistant theory as the right formula for the consolidation of the present coalition, assuring it of the trilogy that Sa Carneiro advocated for the extinct Democratic Alliance: one president, one government, one majority.

If we retained all those facts and to them added the refusal by Eurico de Melo to accept the candidacy offered to him by Mota Pinto himself, perhaps a justification can be found for the behavior of the Social Democratic leader, whose opposition internally may not, however, be enough for thwarting his intentions, either with respect to the presidential elections or with respect to the other party problems, which do not deserve complete approval and even arouse some controversy.

Without ignoring the dimensions of a growing protest, Mota Pinto also knows that time, beginning now, is running against him, which means that it reduces his capacity for maneuvers if he is not capable, within a very near future, of adopting very firm positions either in the government sphere--which could increase his internal credit--or at the party level to neutralize his detractors. Because of all that, it is admitted in certain areas that he has a "position of strength" in the National Council of Viseu, in a certain way similar to that which Pinto Balsemao adopted in 1981 and from which resulted the strengthening of his party leadership.

It is a calculated risk. It is acknowledged that Mota Pinto perhaps does not want to run but that running would expand his capacity for action, at least for some months, the months required for imposing a candidate or even for negotiating with the PS itself on the entire process resulting from the election of the president supported by the two parties of the coalition. This is the basis for the theory that some advocate that Daniel Froenca de Carvalho would be precisely the "equidistant man" desired by the present minister of justice, also a critic of the government of which he is part.

Soares...Always He

Obviously this hypothesis has a basic premise and is only viable if Mario Soares refuses to satisfy the many "pushes" he has received to become a candidate to the Presidency, which appears to condition and, above all, influence the Social Democratic choices--which frankly displeases them, particularly at the rank and file level where the PS secretary general does not actually enjoy much popularity.

But that does not invalidate negotiations, extended in their broadest dimension, which means including the advantage of having the post of prime minister or the increase of Social Democratic influence in the administration itself. It must also be said that Mota Pinto enjoys some favorable factors in trying to attempt that "coup" in Viseu, since none of his opponents will be in a position to deny that the appearance of a political crisis on a national level would have an excessively high price for the party at this time and that the Socialists would obtain immediate advantages from early elections.

Actually, who would dare to provoke a break in the coalition in the Social Democratic camp when surveys recently made do not confirm the advantage required for regaining the status of majority party for the PSD?

Despite the figures ascertained in those samplings--but not revealed--the negative effects of government actions were not yet enough to remove the PS from that position, but nothing guarantees that its status as the Portuguese majority party will be maintained for much longer. That is the reason Mota Pinto has to act rapidly and effectively in a short period of time because he may not have enough strength in the next Congress--probably in February--to make his points of view prevail and to impose himself as party leader.

Otherwise he may have to stick his hand in his pocket and pull out his car keys.

8908

CSO: 3542/48

RESULTS OF WIDE-RANGING GOVERNMENT-COMMISSIONED POLL

Lisbon O JORNAL in Portuguese 30 Nov 84 pp 20-21

[Text] "The present government's negative image is associated with an executive body that is slow in its decision-making, ineffective, weak, unsteady, lacking in homogeneity, and incompetent, not offering security, not dynamic, serious or honest and with little leadership capacity." one reads in the conclusions from an extensive poll commissioned by the government itself, which O JORNAL disclosed firsthand in its issue of 16 November. The poll also deals with many other topics besides the electoral one which we reported in that issue.

The government's image is one of several issues mentioned in the poll, perhaps the largest one taken by the Euroexpansion firm. An assessment of the executive body's performance, familiarity with, and image of the political figures and the leading problems experienced by the population are some of the other topics treated in this poll, the results of which O JORNAL can now disclose, also firsthand.

It is only from the standpoint of "tolerance" that the government has a positive image; as for stability, the image is neutral.

Its conclusions state: "The present executive body's qualities of speed in decision-making, efficacy in action, strength, steadfastness, and homogeneity are judged negatively by the current voters (October 1984) from all parties, including those of the present coalition."

It then stresses that only the present voters (see their statements hereafter) from the coalition parties assess the government positively in the area of its competence, stability, leadership capacity, seriousness and integrity. Only the current PS [Socialist Party] electorate attributes dynamism to the government."

Government's Action Has Worsened

As for the government's action last year, it is judged negatively, even worsening during the past 6 months. In a retroactive expectation, slightly over two

thirds of the electorate expected, at the time that the present government took office, that it would govern better or much better than they think it has been.

As for the problems experienced by the electorate, generally speaking, the government's action is judged all the more negatively the greater the significance accorded those problems. Of the 19 problems posed to the electorate, the government's action is judged positively only with regard to respect for religion and for the Church, and as a front of opposition to the "advance of communism."

However, when asked about the ability to solve the problems of the government and the opposition, the electorate ascribed to the present government a greater ability than it did to APU [United People's Alliance] or CDS [Social Democratic Center Party] considered in isolated fashion.

'Negative' for IMF

This status applies to the same problems for which a very negative opinion was expressed of the government's action when not judged in comparison with the opposition.

Of the 19 points considered, it was only in relation to respect for religion and for the Church (CDS ranked better), the respect for individual liberties achieved on 25 April 1974 and opposition to the "advance of the far right" (APU ranked better) that the government's ability was deemed inferior to that of (one of the) opposition parties.

With respect to certain current issues, the government's action is judged positive, particularly in the area of combating terrorism and that of technical-occupational education. The action is also considered positive in the relations with the former colonies, in the process of joining the EEC, in combating FP-25 [25 April Popular Forces] and concerning the Internal Security Law.

The assessment of the action associated with the IMF is significantly negative.

Government Between the Center and Right

From the standpoint of the executive body's position in the ideological spectrum, despite the fact that it results from a PS/PSD [Social Democratic Party] coalition, its action is generally categorized between the center and right.

Generally speaking, the government is placed on the left by the current CDS electorate and on the right by the APU voters. The present voters from PS, PSD and a hypothetical Eanist party attribute a center hue to it.

Business owners and public officials are viewed as the social groups most benefited by the government's action. In the electorate's opinion, the ones most disadvantaged are the workers, employees and, in particular, the farmers and retirees.

The Government's Duration

Those polled express "skepticism concerning the truth of the information of governmental origin" and claim to be poorly informed on the executive body's activity. Nevertheless, nearly half of the voters think that the present government will remain until the end of its term, and nearly a quarter of the electorate has no opinion on this matter. Nearly all of the remaining 28 percent give the government a maximum duration of 1 year.

Soares and Mota Pinto-Supporting an Image

With regard to familiarity with and the image of the political figures, Mario Soares and Mota Pinto are the best known in the executive body (by 99 and 97 percent of those polled, respectively); Mota Amaral (79), Alberto Joao Jardim (71), Jaime Gama (69) and Almeida Santos (64). The least known are Carlos Melancia (31), Eduardo Pereira (28) and Coimbra Martins (23). It should be stressed that these results coincide largely with those from the poll taken by Marktest for O JORNAL on this same subject.

It emphasizes: "Generally speaking, the image of the different ministers in the present government is highly negative. The image of the two leaders (Soares and Mota Pinto) is the most negative."

President's Prestige and Powers

In general (according to 49 percent), the recent action of the president of the republic is viewed as not improved nor worsened in comparison with his previous action, as the conclusions stress.

They add: 20 percent think that his action has improved and 14 percent that it has worsened. When the PR's action was assessed positively, this was based on his image of seriousness, integrity and interest in the population's problems. When it was assessed negatively, this was supported by the potential partisan interference and action viewed as rather unclear. A majority of the electorate (52 percent) think that the country would benefit if the president had more powers. There are 21 percent who think that his powers should be the same, and only 4 percent think that they should be less.

The Portuguese People's Main Problems

Another interesting feature of the poll commissioned by the government relates to the main problems experienced by the population. It was concluded that the areas translated into prosperity, primarily the economic one, are those of most concern to the electorate.

The five most significant problems are the cost of living, the living conditions of the poorest people, unemployment, health assistance and lagging wages.

The potential APU and CDS electorate attaches priority to unemployment and the living conditions of the poorest people as the two leading problems of the country.

In the realm of relationship between personal and political problems, the electorate ranks, in the order of origin of their concerns, the family, private life and government.

The Reasons for Voting

As for the electorate's positions and the political composition of the executive body, the voters who in 1983 voted for one of the parties running then (and we are still citing the conclusions from the poll) indicate as the main reasons for their electoral choice the confidence and sympathy won from them by the party for which they voted. After these, an improvement in their living conditions and reasons of an ideological nature are the ones mentioned most as warranting the electoral option taken. The composition of a single-party government is slightly more preferred than a solution based on a government coalition. Among those favoring a single-party government, there is a slight tendency to prefer a PS government or a government of presidential initiative, although the other homogeneous solutions (PSD, APU and CDS) are rather close to them.

Among those favoring a coalition government, the PS/PSD, PS/APU, PSD/CDS and, to a lesser extent, PS/PSD/CDS solutions are mentioned. The coalitions in which APU appears are cited exclusively by the voters from that party. As for the other coalitions, the opinion among the different electorates is more divided.

PSD Ahead for the Legislative Elections

Another portion of the poll relates to the intention to vote in the legislative elections if they were held now. According to it, the results of an election held in October, if a new party were to appear, would be as follows: PSD, 24.9 percent; PS, 22.7 percent; APU, 19.4 percent; CDS, 14.5 percent; "Eanists," 14.1 percent.

Out of every 10 of their 1983 voters, in October 1984 APU retains eight, CDS and PSD seven apiece and PS five.

Every group of 100 potential voters for the hypothetical Eanist party would be nearly half (47 percent) comprised of those who voted for PS in 1983, and to a lesser extent the voters who in that year voted for APU (16 percent), PSD (10 percent) and CDS (6 percent) and the 1983 abstainers (18 percent).

Lurdes Pintasilgo Far Ahead for the Presidential Elections

With regard to the presidential elections, the poll taken by the government confirms other opinion studies giving first place (in this sample, at a greater distance) to Maria de Lurdes Pintasilgo (22 percent), followed by Freitas do Amaral (11 percent), Mota Amaral (10 percent) and Mario Soares (9 percent); thereby confirming the fact that the present chief executive ranks fourth in this opinion study, as O JORNAL disclosed 2 weeks ago.

Oddly enough, the vote distribution among the potential voters from the "Eanist party," after giving first place, by a wide margin, to Maria de Lurdes Pintasilgo (44 percent), give second place to Alberto Joao Jardim (11 percent), followed by Mota Amaral (6 percent), Mario Soares (5 percent), Mota Pinto (5 percent), Firmino Miguel and Lemos Ferreira (3 percent) and Freitas do Amaral (2 percent).

According to the poll, the main qualities that the electorate regards as essential to be president of the republic are integrity (82 percent), intelligence (61 percent), a sense of justice (56 percent) and steadfastness (52 percent).

The voters consider Mario Soares to have, respectively, 17 percent (integrity), 52 percent (intelligence), 9 percent (justice) and 15 percent (steadfastness).

How the Government's Action is Viewed

	Total
Extreme right	4%
Right	25
Center	32
Left	10
Extreme left	1
Don't know	29

Base: Total of those polled

What Most Concerns the Portuguese People

	%
The increased cost of living	75
The living conditions of the poorest people	73
Unemployment, failure to create jobs	73
Health assistance	57
Lagging wages	39
Educational and living conditions in the schools	30
Housing conditions	30
Security of individuals and goods	24
The status of agriculture, fishing and industry	20
Disrespect for religion and for the Church	14
Transportation and communications systems	11
Strikes and other social conflicts	10
The advancement of communism	9
Discord among the Portuguese people	6
The status of small and medium-sized industries	6
Political advancement of the extreme right	5
Regional and local community development	4

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	%
Disrespect for the political liberties achieved in 1984	4
Upsets in public order	2

Base: Total of those polled

Concerns of the Different Electorates

	Total	APU	CDS	PS	PSD	Eanist	Others	Abst.	Unsure
Increased cost of living	75	72%	66%	76%	76%	74%	72%	76%	77%
Living conditions of the poorest people	73	79	74	77	68	70	62	77	73
Unemployment	73	81	71	74	66	73	69	78	71
Health assistance	57	56	46	66	52	59	55	61	60
Lagging wages	39	58	36	37	30	44	39	37	34
Educational conditions	30	35	26	36	30	26	30	27	29
Housing conditions	30	33	30	25	33	43	31	25	24
Security of individuals and goods	24	13	31	23	33	24	34	25	22

Base: Total of those polled

Those "To Blame" for the Individual problems

Vertical percentages

Family	33
Private life	31
Government's action	26
Action of the Municipal Chamber	3
Other problems	1
Have no problems	5
Don't know/no answer	2

Change in the Country's General Situation

	Situation in 1983	Situation anticipated next year
Much better	5	1
A little better	47	14
The same	29	16
A little worse	12	37
Much worse	5	18
Don't know	2	14
Mean assessment	(+) 2.65	(-) 3.67

Base: Total of those polled

Reasons for the Choice of a Party

Vote in 1983

	Total	APU	CDS	PS	PSD	Others	Abstention
Confidence	29%	27%	26%	29%	33%	13%	28%
Sympathy	19	16	18	21	24	6	14
Better life	16	22	14	18	11	10	17
Ideological	10	14	12	8	10	10	10
Is the best	9	3	14	10	11	8	8
Defense of rights	4	8	4	2	3	11	4
Loyalty	3	4	3	3	2	2	2
Other	7	5	6	6	4	34	9
Don't know/no answer	3	2	3	2	3	6	8

Base: Voted in the last elections

Preference for a President

	Total
Lemos Ferreira	2%
Mota Pinto	6
Alberto Joao Jardim	6
Salgado Zenha	4
Lurdes Pintasilgo	22
Freitas do Amaral	11
Firmino Miguel	2
Mario Soares	9
Mota Amaral	10
Don't know/no answer	28

Base: Total of those polled (6,776)

2909

CS0: 3542/65

POLITICAL PARTIES' VISIONS CALLED 'MEGALOMANIACAL'

Lisbon A TARDE in Portuguese 6 Dec 84 p 6

[Article by Pedro Santana Lopes]

[Text] There is no doubt that, at the present time, there are only three possible political solutions in the Portuguese system: either a leftist coalition, more or less "sponsored" by the Eanists, or a "central bloc" that is currently dominant, or, finally, a rightist coalition between PSD [Social Democratic Party] and CDS [Social Democratic Center Party].

Apart from this, we consider it peaceable that, at least, it will be impossible to resort to temporary, flimsy solutions, as Portuguese constitutional experience has, moreover, proven. Minority, presidential or independent governments can only come into existence under completely exceptional circumstances, and they cannot and should not be a goal or basis for anyone's effort.

In addition, we consider it unquestionable that no party (at least with the present electoral system) can, of itself, aspire to an absolute majority; besides the fact, confirmed on several occasions, in consecutive elections, that the different parties have, over the years, maintained an obvious stability in the strength of each one (aside from the minor fluctuations that have naturally occurred).

Thus, in defining any party or personal strategy, the aforementioned realities cannot fail to be considered determining variables; otherwise, it must be concluded that there is gross incompetence or else, a more serious hypothesis, a preference for alien strategies.

This is all the more so, the less chance any of the four major parties has of achieving an absolute majority. In fact, to dream of a "leap" in percentages from between 10 and 20 to another that the monocolor majority of the seats in Parliament and the presidency of the republic would confer is something that is fitting only in private dreams, but never in the realistic mind of any responsible leader.

If that megalomaniacal strategy, as such, is pursued, it could only be understood in the light of the most complex reasoning, and with the least clear

commitment. We realize that one could argue with the "scorched earth" strategy, which is always possible in politics, aimed at increasing the chances for growth in the face of a strong desire for a break with the prevailing situation.

However, even to continue a certain type of action, it becomes necessary to meet three kinds of requirements: first, to have a moderate electoral base that is not demarcated or limited; second, the respective voters must be inclined toward, and not fearful of this type of political action; third, the leader must have a profile marked by a straightforward, determined policy, that is not redundant, monotonous, petty or typified by excessively consensus-oriented tendencies.

Now we don't think that the megalomaniacal strategies currently being attempted in Portugal are leading anywhere, because they do not meet any of those conditions. Hence, it may perhaps be feasible for their author or authors to reconsider them, so as to avoid giving rise to interpretations which we are starting to hear and which we don't even want to believe.

2909

CSO: 3542/65

POLL SHOWS PINTASILGO RECOVERS, JARDIM IN RACE

Lisbon SEMANARIO in Portuguese 30 Nov 84 p 10

[Text] In a still hypothetical "race for Belem," Maria de Lurdes Pintasilgo recovered rather spectacularly from the marked decline that she has personified since July, a month when she recorded the second highest percentage of any accrued since May (see Table I). Meanwhile, a new name now included in this Norma/SEMANARIO poll (that of Alberto Joao Jardim) has climbed to a (surprising?) second position, surpassing two of the three names with which it is contesting: those of Alvaro Cunhal and Mario Soares.

The one with the greatest defeat of the month, however, appears to have been the present prime minister. After a precipitous rise (in October), increasing from 8.2 in September to 14.4, and then almost equalling Pintasilgo (15.4), Soares dropped to 12.4 or 12.0 (hypotheses 1 and 2 on Table II).

The study on which we are commenting, made from 13 to 19 November, and involving, on the basis of Norma's usual methods, the cities of Coimbra, Evora, Lisbon, Porto, Vila Real and Viseu, was carried out in the context of two possible options: the first was aimed at determining the persons for whom those polled would vote for president of the republic "if the contenders were Alvaro Cunhal, Lucas Pires, Pinto Balsemao, Lurdes Pintasilgo and Mario Soares": the second was if the contenders were "Alberto Joao Jardim, Alvaro Cunhal, Lourdes Pintasilgo and Mario Soares."

The result seem to indicate that Pintasilgo is taking off and Jardim is thriving. Concurrently, however, the percentage of those with the view that "none of these" (the candidates proposed to them) would receive their vote remains sufficiently high (34.1 in hypothesis 1 and 37.4 in hypothesis 2 of Table II) to detract a substantial portion of significance or overall importance from the votes already expressed meanwhile.

Table I

	May	June	July	September	October
Lurdes Pintasilgo	26.2%	22.0%	22.3%	18.0%	15.4%
Mario Soares	13.8%	12.4%	10.3%	8.2%	14.4%

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	May	June	July	September	October
Lucas Pires				6.2%	9.8%
Mota Pinto	8.2%	8.7%	3.4%	5.4%	6.7%
Firmino Miguel	1.3%	5.8%	4.4%	5.1%	4.6%
Franco Nogueira					2.2%
Costra Bras		1.0%		0.7%	1.5%
None	24.9%	25.9%	39.0%	29.3%	29.4%
No answer	9.1%	10.1%	10.7%	27.0%	16.3%

Table II (November)

Hypothesis 1

Alvaro Cunhal	7.7
Lucas Pires	7.2
Pinto Balsemao	4.2
Lurdes Pintasilgo	22.5
Mario Soares	12.0
None of these	34.1
No answer	5.1

Hypothesis 2

Alberto Joao Jardim	15.2
Alvaro Cunhal	7.4
Lourdes Pintasilgo	22.5
Mario Soares	12.4
None of these	37.4
No answer	5.1

2909

CS0: 3542/69

POLL POINTS TO APU, CDS RISE IN 1987 LEGISLATIVE ELECTION

Lisbon SEMANARIO in Portuguese 7 Dec 84 p 9

[Text] A NORMA [Portuguese affiliate of Gallup International]/SEMAMARIO poll taken in November about the positions of the major parties in the [1987] "legislative races" reveals some aspects that cannot be labeled surprising due only to the fact that they have been in the process of formation for some time. And one of these--not the least--is the apparently free fall of the Socialist Party [PS] which, after obtaining 35 percent of the vote in the 1983 elections, now has only 20.7 percent. A loss of 14.3 percentage points that relegates the party which then had by far the most votes to a modest third place, clearly surpassed by its partner in the current coalition and surpassed also and clearly by the APU [United People's Alliance].

The fall of the socialists, who have now reached their lowest point, thus continues to be more pronounced, virtually on a monthly basis. And the erosion resulting from the exercise of power may perhaps not be the only explanation for the phenomenon: although also falling in relation to 1983, the social democrats are managing to limit the extent of their decline to amounts (2.1 percent) that are not surprising. And this is without taking into consideration the fact that, although falling in percentage of votes, they have risen in rank: from the party with the second highest number of votes to that with the highest.

Increases

Let us speak of percentage increases. The greatest, in relation to 1983, belongs to the CDS [Social Democratic Center Party]: from 14.0 percent, the centrists have advanced 3.5 percent, to 17.5 percent of the expressed votes at present. They are 3.2 percentage points behind the socialists and the gap continues to narrow. If present trends continue, it may not be long before the PS finds itself in last place among major political parties: those with significant voting strength.

The APU also rose. In the case of the communists, however, the rise is less impressive for the percentage (from 21.1 percent to 22.4 percent, a 1.3 percent rise) than for the relative position reached: second place and only 0.3 percent behind the leader, the PSD [Social Democratic Party].

It is common to assume that in times of crisis the opposition parties gain--even those at opposite ends of the political spectrum. The figures (which are shown in the table below) seem to confirm such a principle.

[illegible]

Declines

The decline of the socialists is widespread, from north to south, with no oasis. Here are the figures: 8.1 percent in Evora, 10.9 percent in Coimbra, 11.3 percent in Vila Real, 13.5 percent in Viseu, 14.6 percent in Porto and 15.2 percent in Lisbon. Curiously, the best showing for the socialists in 1983, in Vila Real, Coimbra, Porto, Viseu, Lisbon and Evora--in that order--are in the same order today, although the differences are so slight that we should add: /so far/ [in boldface].

But the descent of the social democrats, besides being minimal (and recent, as in October they held on to the same percentage as in 1983: 24.8 percent), is not widespread. The PSD, even in relation to 1983, shows two increases: one in Coimbra (of 0.8 percent) and the other in Porto (of 5.5 percent).

Hence, it should be reported that, whereas the PSD fell 2.1 percent (and that, from October to November, as in the former month its percentage was still equal to that of 1983), the PS has slipped from 35.0 percent to 20.7 percent--persisting in a trend that, with few exceptions, can be considered continuous. It should also be mentioned that since October the socialists (then with 23.9 percent) fell 3.2 percent. In only 1 month.

Race

No one knows, however, how things will go in 1987. From one legislative election to another, the race may be considered as "background." And, if to the image of "race" we add the element of "bicycle," we must bear in mind that there are always "drop-outs" as well as "late starters" and "catchers-up," and that at the finish the result may appear far different than could have been predicted from any of the "heats."

However--as of /now/ [in boldface]--that's the way it is. In conclusion, for the sake of comparison, permit us to show the overall results of the same poll in October and published in our edition of 3 November: Abstaining, 21.7 percent; APU, 23.1 percent; CDS, 14.7 percent; PSD, 24.8 percent; PS, 23.9 percent; others, 4.7 percent; undecided, 8.8 percent.

Technical Data

Universe: Portuguese population over 18 years of age living in the cities of Coimbra, Evora, Lisbon, Porto, Vila Real and Viseu.
Sample: 610 individuals. Sampling method: Random, stratified by city, nonproportional allocation. Selection: By the random route method for households and, within these, by the Kish method for the individual to be interviewed. Technique: Direct and personal interview, through a structured questionnaire, in the home of the person interviewed. Sampling points: Six cities in which points of departure are selected. Field work: Interviews conducted between 13 and 19 November 1984. Margin of error: At the total level the error is within ± 4 percent in a confidence interval of 95 percent for $p = 50$ percent. Responsible institute: The poll was conducted by NORMA, Inc., Portuguese member of Gallup International.

'LISBON CONNECTION' ISSUE SEEN MUTUALLY UNPROFITABLE

Lisbon DIARIO DE NOTICIAS in Portuguese 6 Nov 84 p 6

[Editorial: "Double Accusation"]

[Text] In New Delhi, where they were to pay the final tribute to Indira Ghandi, Mario Soares and Samora Machel were able to exchange direct opinions on the notorious "Lisbon Connection," which threatens to influence the harmony of Luso-Mozambican relations. ANOP reports that Machel told Mario Soares that only the friendship that binds the president to the Portuguese prime minister prevents him from making a public statement on the involvement of Portugal in support of RENAMO [Mozambique National Resistance]. Soares assured the president of Mozambique that the Portuguese Government has no involvement in that process and expressed concern about the adverse influence such maneuvers may have on relationships between the two countries.

On the same day this news section was published, the RENAMO spokesman in Lisbon released a communique accusing Portuguese "decision-making sectors" of being involved in plans to assassinate the secretary-general of Mozambican resistance.

Lisbon is thus simultaneously accused by Maputo of supporting RENAMO--remember the warning to Ambassador Paulouro das Neves last Friday by Joaquim Chessano--and accused by RENAMO of participating in an alleged plot to kill its secretary general.

Who benefits by hindering relationships between Lisbon and Maputo? Obviously it is not the Government of Lisbon or the Government of Maputo, both of which are determinedly trying to develop and intensify their relations, as it has been repeatedly stated, not only in the visits of state made by Ramalho Eanes and Samora Machel, but also and very recently during the trip by Mario Soares to Mozambique.

Who is interested in harming relations between Portugal and Mozambique? Is it the Portuguese of RENAMO, who use freedom of speech and press which is constitutionally theirs to undermine the positions of FRELIMO? Is it Pretoria who may be interested in doing away with the influence of Lisbon and emerging as the only mediator for peace in southern Africa? Could it be the already-mentioned differences within the government of Pretoria itself

as to the preferential supported to be granted to Mozambique, which explains the imbroglio of this apparently fabricated "Lisbon Connection?"

The hypotheses are not exhausted here and present themselves as reasonably plausible. It will be up to the government of Maputo to make a calm and cold analysis of the situation and accept the fact that the actions of Portuguese citizens under the protection of their civil rights cannot be confused with the commitments assumed and respected by the government of the nation.

8908

CSO: 3542/48

CHURCH, ARMED FORCES RAPPED FOR POLITICAL INTERVENTION

Lisbon EXPRESSO in Portuguese 1 Dec 84 p 8

[Editorial: "The Army, the Church and the Crisis"]

[Text] In an important speech made at the Air Force Institute of Advanced Studies, General Silva Cardoso spoke of the crisis that "manifests the pallor of a disintegrating society," comparing it to a cancer that "has been undermining societies, degrading them, weakening them and perplexing them."

In reference to the situation in Portugal, the general asserted that the most serious aspect is that "neither social groups nor individuals appear to have the capability, not just of controlling, but, purely and simply, of eliminating the crisis," adding later that what is necessary now is to prevent the disintegration from spreading to the armed forces and to the part of society that is not corrupted by the lust for power.

This is not an isolated statement.

Over and above similar speeches--although perhaps not quite so clear--given by other military leaders, it is impossible to overlook some recent statements by high dignitaries of the Portuguese church.

It cannot be said, of course, that these statements are coordinated and much less that they are the product of an understanding or a pact.

What is curious--and at the same time disturbing--is to note the clear parallel between the current situation and that which existed before the movement of 28 May 1926--which was also preceded by statements by military and ecclesiastical leaders which, on the whole, denounced the evils of society and presented the armed forces and the church as the only reserves of health in the Portuguese nation.

Clearly, the international situation today is much different than that of 1926; for that reason, the possibility of a military coup, whatever may be the current similarities between the First and the Second Republics, remains remote.

It is worth noting, however, that the current republic, which in the political arena has its Antonios Josés de Almeidas, its Afonsos Costas, its Britos Camacho

and its Joses Domingues dos Santos, also has, in military circles, its Sinel de Cordes, its Raul Esteves or its Filomeno da Camara and, in the religious sphere, its ultramontane priests and bishops.

The problem is that the nation has modernized very little.

And that many of the problems that existed 50 years ago continue to exist today.

Among them--there's no point in continuing to conceal it--is that some of the church and the armed forces do not consider democracy a permanent institution. In other words, some of the clergy and the troops still consider themselves to be the guardians of the nation, viewing the democratic regime as a situation to be merely tolerated as long as it does not overstep the limits they themselves establish.

But however unacceptable may be the persistence in Portugal of groups that consider themselves to be possessed of a special legitimacy and that look upon democracy as a child's game that must stop whenever they themselves see fit, this must not serve to hide the essential fact, which is the following: this regime and this system, if it continues along the path that it has followed thus far, is hardly likely to find a solution.

At any rate, events of recent days are not the sort to inspire optimism.

The "greatest majority ever" is deeply mired in crisis little more than 1 year after coming to power, and has not resolved a single one of the structural problems that faced it when coming to office. Moreover, the process of joining the EEC--which, it should be recalled, was always understood above all as "political risk insurance"--suffered another setback this week and Portugal's entry on 1 January 1986 is more problematical every day.

The picture is not exactly cheerful.

And while we must not overlook certain incursions of the military or the clergy on political terrain, neither should we let them be used, behind the device of inflammatory response, to hide what is fundamental: the state of crisis.

8834

CSO: 3542/64

CONTINUATION OF SA CARNEIRO PROJECT ADVOCATED

Lisbon SEMANARIO in Portuguese 7 Dec 84 p 8

[Article by Jose Miguel Judice: "Life and Death of Sa Carneiro"]

[Excerpts] If Sa Carneiro were to return, he would die again upon learning of the PS [Socialist Party]/PSD [Social Democratic Party] agreement which, at the time of this writing, has thus far only been initialed. An agreement in which each of the parties accepts what it knows it will not fulfill, hoping that the already foreseeable circumstances will change, a fraudulent agreement made with mental reservations is the complete opposite of Sa Carneiro's way of conducting politics, which, after all, he didn't even have time to establish within his own party.

Certainly, enough has already been written to define the man and his policy and I have no intention here of writing a commemorative text. What I think is worth doing is to take Sa Carneiro as a basis for the future, more precisely for our future. I am becoming more and more convinced that what is needed in Portugal is a strong injection of "Sa-Carneirism," in both the political platform and the strategy for achieving it.

A simple and indispensable policy, that of Sa Carneiro. In the first place, the nation's modernization, an end to the archaic practices that bog us down even though we are living in a century of dynamic change. And modernization must include transformation of the state into a strong political center, free of the carcasses of inefficient and bankrupt public enterprises. Secondly, a plan for a two-party political system, with one bloc led by the PS and the other by the PSD, which would permit them to alternate in power, avoid the risk of corruption that comes from holding office too long and permit application of policies with a common logic due to their resulting from blocs with similar general concepts.

The AD [Democratic Alliance], for Sa Carneiro, was undeniably an instrumental vehicle for change, but it was also a social bloc that brought together the sectors who had a desire for change. I wrote a lot about this at that time and I know what the prime minister thought of the material. The idea was that to have change in a stagnant and feudal society there must be a very strong and homogeneous political power and a society vital enough to protect itself from the abuses of power. Both of these require, on the one hand, the "one majority, one government, one president" triptych and, on the other, the bipolarization that is a necessary

condition for existence of a strong opposition. There must be a majority resulting from elections (and the central bloc, in this sense, is not), but not just any majority. Those who failed to perceive that the AD with Sa Carneiro was more than and different from a coalition of parties didn't perceive anything.

Sa Carneiro's project remained unfinished because of his death and for this reason everything became worse. The world and Portugal have evolved and much of what seemed political heresy 5 years ago is now virtually widely-held tradition. Sa Carneiro was thus ahead of his time and for this reason it should now be easier to carry out his project. Whether or not it is easier, it is certainly more necessary and urgent to do so. And the necessary conditions are again created to advance clearly in that direction, over the ruins of the central bloc and the political frauds and mental reservations with which its leaders are trying to keep it alive.

The time has come for a parting of the waters. It is necessary to prevent those who complained first about Sa Carneiro, then about Balsemao, and then Soares, from remaining always in the front row, corrupting and debasing projects that have nothing to do with them. Now is the time to support Sa Carneiro's ideas for the presidential elections, for local elections and for legislative elections. And to do so without complications and without tactical retreats. When one is in the right he sometimes must stand alone in the midst of the opportunistic clamoring of those whose idea of consistency is always to be on the winning side. The PSD is the indispensable basis for the nation's recovery through the project of Sa Carneiro, but neither all the PSD or even all its leaders have always been in harmony with that project. The PSD must recover credibility in the nation's eyes, after the heavy blows that have been struck by some of its leaders. And the party's rank and file must decide between those who, with one subterfuge or another, wish to remain in power even if at the price of accepting the central bloc and those who are willing to run the risk of applying the Sa Carneiro project. This is the great dichotomy, this is the real division, this is the basis for any policy of alliances within the PSD.

8834

CSO: 3542/64

POLL REVEALS DISTRUST OF GOVERNMENT, MINISTERS

Lisbon SEMANARIO in Portuguese 30 Nov 84 p 9

[Text] The majority of the people do not think well (and not thinking well may be a rather mild way of conveying what the majority think) of the performance of any of the 17 ministers comprising the present cabinet. In fact, a poll (by Norma/SEMANARIO) taken from 13 to 19 November aimed at learning the opinion (either positive or negative) regarding the activity carried out by the current office-holders disclosed that, in no instance, does the positive opinion exceed the absolute extent of the negative judgments. The poll was also intended to learn the population's views on whether or not the current government should be replaced. The results accrued show that it should, and they show more: that the government should be replaced now. In short, the lack of credibility in all respects of the governing team has, in the language of numbers, assumed such dimensions that what is amazing is that the ship is still afloat....

Beginning with the question as to whether, "in view of its performance," the present government should (or should not) be replaced, one feature stands out immediately: the question contains the term "replaced," not "remodeled."

None of those queried left the question unanswered: for 3.2 percent, that answer was that they had no formed opinion; for 35.5 percent, the government should not be replaced; and for the rest (61.3 percent), it should be replaced.

When

Whether it should be replaced now, or 6 months, a year or 2 years from now, or not until the end of the legislature, was the next question. 44.7 percent did not respond; 6.7 percent think that it should not until the end of the legislature; 0.2 percent think that it should 2 years hence; 2.5 percent think that it should a year from now; 4.8 percent think that it should 6 months hence; and 41.2 percent think that it should now.

In the distribution by cities and regarding the question as to whether or not the government should be replaced, in only one instance (Viseu) did the majority have the view that it should not (49.9 versus 46.2 percent). In all the others (Vila Real, Porto, Lisbon, Evora and Coimbra), the solution cited by the majority is that of replacement: a majority ranging between a minimum of 51.1 percent (Vila Real) and a maximum of 65.3 percent (Evora).

As for whether the replacement should take place now or later, the highest percentage answering now came from Porto (43.5 percent) and the lowest from Viseu (26.2 percent).

Finally, it should be noted that more men than women advocate the replacement of the current executive body (65.5 versus 57.4 percent), more younger than older (65.5 versus 57.4 percent), and more belonging to the "lower" class than those in the so-called upper classes (68.6 versus 63.1 percent); with the class called "middle" standing at 60.0 percent. Insofar as the "now" answer is concerned, the percentages are 44.0 percent men and 38.6 percent women; 47.2 percent between the ages of 18 and 44, and 35.6 aged 45 or older; 38.5 percent belong to the upper classes, 43.3 percent to the middle class and 28.2 percent to the lower class.

The Ministers

With regard to the "assessment of the activity of the ministers in the present government during the past 12 months" (or since taking office in the case of the most recent office-holders), the highest negative percentage went to Mario Soares (69.0), followed next by Mota Pinto (67.9), and the highest positive percentage went to Jaime Gama (27.1).

Let us observe the totals (which, in order, pertain to "positive opinion," "negative opinion" and "without opinion" or not answering the question):

Mario Soares, prime minister (PS [Socialist Party]): 21.3-69.0-9.7.

Mota Pinto, vice prime minister and minister of national defense (PSD [Social Democratic Party]): 19.9-67.9-12.2.

Almeida Santos, minister of state and parliamentary affairs (PS): 17.6-39.9-42.5.

Eduardo Pereira, minister of internal administration (PS): 9.6-37.2-53.2.

Jaime Gama, minister of foreign affairs (PS): 27.1-35.8-37.1.

Rui Machete, minister of justice (PSD): 18.3-29.1-52.6.

Ernani Lopes, minister of finance and planning (Independent): 17.5-44.3-38.3.

Jose Augusto Seabra, minister of education (PSD): 13.1-49.5-37.5.

Amandio de Azevedo, minister of labor and social security (PSD): 14.2-38.5-47.3.

Maldonado Gonelha, minister of health (PS): 14.8-38.8-46.4.

Alvaro Barreto, minister of agriculture, forests and food (PSD): 14.6-39.6-45.9.

Veiga Simao, minister of industry and energy (PSD): 19.9-38.3-41.8.

Ferreira do Amaral, minister of commerce and tourism (PSD): 16.1-32.7-51.2.

Coimbra Martins, minister of culture (PS): 11.8-31.8-56.4.

Rosado Correia, minister of public equipment (PS): 9.0-34.4-56.0.

Sousa Tavares, minister for quality of life (PSD): 14.6-40.2-45.2.

Carlos Melancia, minister of maritime affairs (PS): 10.4-30.4-59.2.

Inferences

In the preceding figures there may be reason for many inferences, which would best be left to the reader's judgment or inspiration. For our part, we shall confine ourselves to making a few (brief) interpretative comments:

In the column of those claiming to have no opinion or who merely did not answer, only four ministers have percentages under those of the ones expressing a negative opinion: Mario Soares, Mota Pinto, Ernandi Lopes and Jose Augusto Seabra. This is not surprising, inasmuch as they are, among other things, the four most viewed (on television), heard (by radio), read (in the press) and discussed (pragmatically).

The office-holders most well accepted (if the figures warrant the term, or whether the more proper term, under the circumstances, should be "least badly accepted") are Jaime Gama (27.1) and Veiga Simao (19.9); not only because of the absolute value of the positive percentages but, primarily, because of the "minimal" difference between the positive and negative opinions: 8.7 and 18.4, respectively.

Also deserving reflection is the fact that 13 of the 17 ministers posted the highest of the three percentages in the aforementioned column of those claiming not to have an opinion or refusing to answer. Reflection, but not surprise. For example, what surprise could there be in this country over the fact that the highest percentage in this column (56.4) went to the minister of culture?

Positions, persons and figures relating to persons and positions. We leave both here for the consideration of the concerned reader.

2909

CSO: 3542/69

SECOND THOUGHTS ON REDUCTION OF PRESIDENTIAL POWERS

Lisbon EXPRESSO in Portuguese 8 Dec 84 p 3

[Article by Jose Antonio Saraiva]

[Text] The period of the Democratic Alliance [AD] had an enormous advantage over the present one: it was known who was to blame for the country's ills.

In fact, if the banks were operating less well, if finances were not going in the right direction, if industry was not recovering at the desired pace, in short, if things were not proceeding as the government wished, everyone knew that the president of the republic was to blame.

Hence, the two parties in the government, PSD [Social Democratic Party] and CDS [Social Democratic Center Party] naturally spent part of their time criticizing Gen Ramalho Eanes.

Hence, also, the leading opposition party, the Socialist Party, recognizing that the blame for the bad state of affairs was not that of the government alone, but also, to a large extent, that of the president, denounced the excessive presidential powers.

Hence, finally, the three parties together changed the Constitution, their main goal being to reduce the role of the president of the republic.

Meanwhile, the AD government fell and another one took office which, in addition to the fact that its action could no longer be hampered by General Eanes, had the advantage over its forerunner of holding a clearly superior parliamentary majority.

Therefore, there were no reasons for the new government not to govern.

However, a year and a half after taking office, the executive from the central bloc arrived at strange conclusion that he would not adopt any of the structural measures that the country needed.

The prime minister was alarmed, and accused PSD of having interfered with the government's progress through its countless members scattered among the enterprises under the state's jurisdiction. PSD responded with the argument that

it was PS that was blocking the solution of the problems, for example, by introducing among the majority avoidable controversies such as the abortion issue.

In the end, the fact is that the country was left not knowing exactly where the truth lay and who was to blame.

Therefore many people, in despair over the government's inefficiency and annoyed at the fact that it is not known who is responsible for it, now consider it necessary to reinforce the president's powers again.

It is CDS leaders who are claiming this.

It is high-ranking PSD leaders who are defending it.

And even the leader of the Socialist Party thinks so, because if Dr Mario Soares did not think that he would have all the powers which he helped to remove from Gen Ramalho Eanes, and perhaps even some more, he would not be so interested in becoming president of the republic.

2909

CSO: 3542/71

EANES REPORTEDLY ATTEMPTS TO CHANGE PUBLIC IMAGE

Lisbon EXPRESSO in Portuguese 8 Dec 84 p 2

[Article by Pedro d'Anunciacao]

[Excerpt] From now on, a new element will affect the operation of the central bloc: the type of relations between the leaders of PS [Socialist Party] and PSD [Social Democratic Party]. Soares and Mota Pinto were united by a strong and long-standing friendship. The Social Democratic president was Mario Soares' minister of commerce, as an independent at that time, and since then the two politicians' mutual admiration has consistently grown. And the two of them, together, have surmounted the main pitfalls besetting the coalition.

During the last crisis, two facts seriously upset the personal relations of both, even leading them into some rather damaging talks: the replacement of Manuel Figueira as general director of the news media without the knowledge of PSD, and the prime minister's televised message after Mota Pinto requested its postponement.

At the present time, both appear locked in a mutual sullenness. However, either of them is more interested than the other in avoiding Eanes' intervention and, precisely for this reason, in reaching an agreement that will last until June.

Eanist Party Is Not Prepared

Strangely enough, Ramalho Eanes would be considered the one most damaged if the crisis should become accelerated and end in a break-off. The Eanist party is by no means prepared to run in elections within a few months. And the results of early legislative elections might even lead to a political blockade.

On the other hand, Eane's thinking may become more explicit after several public addresses that he has scheduled for this period. Yesterday, he answered several questions at the American Club, during a banquet marking his reelection. Tomorrow, he will give a direct interview on Radio Renaissance, after lunching with the workers at that broadcasting station. On 1 January, there will be the New Year's message read on television. On 14 January, the anniversary of his swearing in, there will be another public address.

This proliferation of statements, in a president who has always been noted for his excessive discretion and aloofness from the electorate, seems to indicate a considerable change in his activity. But it would be expecting too much to think that this change would reach the point where Eanes would explain his positions regarding the most important current issues; mainly because he is, precisely, known for his indecision and the air of mystery with which he surrounds the major problems, with a special liking for the surprise evoked by his actions.

In any event, his collaborators appear convinced that, at a time when the population is experiencing greater immediate difficulties and is observing the politicians aloof from it (whether through initiatives such as the increased salaries of deputies and ministers, or through unawareness of the concrete day-to-day difficulties), the president has decided to abandon the image of a distant man to give a new impression of someone attentive to the social tragedies, who is undertaking their resolution and who is in contact with people.

As for the party, its initiation before the presidential elections is considered difficult. It is even admitted that it might also emerge to back a candidate for Belem in 1985, but only as a movement. What is anticipated is that there may be conditions later on, in possible legislative elections (early ones, in that case) for the party to appear, headed by Eanes. With regard to involvement in the organization, the president may feel in a position to announce it in June, the date on which his political action in the presidency will be definitely limited.

If the coalition is broken, the only certainty is that Ramalho Eanes would not seek to resume the solution of presidential governments, preferring to opt for the early legislative elections (keeping the current executive body in office). However, if Mario Soares wanted to form a minority cabinet (a solution which would always be extremely precarious), or if Mota Pinto promised parliamentary backing for that cabinet, it is not known what the president's decision would be. In such an event, one assumes that the decision forthcoming from the Council of State would carry great weight.

2909

CSO: 3542/71

PORTO PCP MEETING ON 'EANIST' PARTY

Lisbon EXPRESSO in Portuguese 8 Dec 84 p 4

[Excerpt] The observation of the "existence of a vast politically empty social area" was one of the points most persistently stressed in the remarks by the Communist leaders during the activities of the first assembly of the PCP's [Portuguese Communist Party] Porto Regional Organization [ORP]. As noted by Angelo Veloso (considered the "number one" member of the party apparat in the north), "It would be desirable (for PCP) if other large democratic political parties linked with the interests of non-monopolistic strata and classes were to exist."

Since, in the view of the Communist leaders, there is no evidence of this, PCP is currently attempting, in areas such as that of Porto (where a "social rank and file with an alternative policy" is considered to exist, but without "united or even converging agreement on the political level"), to solve the problem of political alliances by different means, either by making corrections in its "policy of unity," or by nurturing expectations regarding the creation of the so-called "Eanist" party.

In connection with the first point, the political resolution passed at the ORP assembly and the speeches by Cunhal, Veloso and other leaders stress reinforcement of the "united action of democrats" concerning concrete issues (such as the opposition to the internal security bill) and in the "battle against sectarianism," which certain sectors of the party have shown, for example, toward "the vacillation of duped intellectual sectors."

As for the Eanist movement, its advent was hailed as positive, although with the by now usual warning (addressed to the Communist electorate) that the reinforcement of the voting in PCP will be "essential for any democratic alternative," as Alvaro Cunhal emphasized. The Communists are viewing the launching of the future party with great interest, considering that its role among the electoral gamut will be "decisive" in the exact degree to which "it gains the support of many of those who in the past voted for PS [Socialist Party] and PSD [Social Democratic Party]," as Horacio Guimaraes, an alternate member of the Central Committee, declared.

2909

CSO: 3542/71

PSD REJECTS CHARGE OF COOPERATION WITH RENAMO

Lisbon DIARIO DE NOTICIAS in Portuguese 5 Dec 84 p 2

[Text] "It has already been denied by all possible means that PSD [Social Democratic Party] or Professor Mota Pinto, personally, has had any intervention in the problem associated with the resistance in Mozambique," our newspaper was told by a spokesman from the Social Democratic leader's office, in connection with the charge made by the Italian weekly, L'EUROPEO, of Milan, that the aforementioned party is pulling "the political strings" in that country's counterrevolutionary movements, financed by former colonists.

The comment originated following a report on Sergio Coccia, considered an "expert" in diplomacy and journalism, concurrently, who has for some time been concentrating his activity on South Africa.

As L'EUROPEO notes, in 1982, Sergio Coccia made news in the Roman paper IL TEMPO, when he claimed to have been parachuted into Mozambique to free the Italian technician, Mario Ortolan, abducted by the anti-government rebels. The Milan weekly remarked that this action may have been possible because of the fact that Coccia was not only a spokesman for RENAMO [Mozambique National Resistance], but also an "authorized adviser to the Italian ambassador in Pretoria, Giacomo Ivandelho, and to the Portuguese Social Democratic Party."

L'EUROPEO also claims that the concerns of the Italian diplomatic authorities relate to "promises" made by Coccia to his friends, to "change Rome's policy in Southern Africa for the benefit of South Africa."

2909

CSO: 3542/65

SOVIET CITIZEN'S DEPARTURE

Lisbon TEMPO in Portuguese 30 Nov 84 p 7

[Text] The Soviet citizen, Aleksandr Usmanov, who sought protection from the Portuguese authorities, is no longer on national territory. An official source disclosed to TEMPO that Usmanov, a mechanical engineer on duty on the Russian freighter "Kaliningra Dsky Ideberg," bound for Bilbao (in northern Spain), taking advantage of the stop in Lisbon, had just requested aid from the Portuguese agencies in obtaining political asylum in another country. While awaiting the decision on his petition, Aleksandr Usmanov was kept in an undisclosed residence and under stringent protective measures. The same source also revealed that the aforementioned Soviet citizen left Portugal for a destination which was not confirmed, for security reasons.

CSO: 3542/65

PERSONALITIES, MILITARY REPORTEDLY QUERIED ON CANDIDATES

Lisbon O JORNAL in Portuguese 23-29 Nov 84 p 48

[Text] Members of the so-called "political-military group," which in part was behind the launch of the candidacy of Gen Soares Carneiro for the office of president of the republic in 1980, reportedly were "reflecting" on the profile of a new military candidate who, from their viewpoint, could or should again get the support of the PSD [Social Democratic Party] or the CDS [Social Democratic Center Party], generally well-informed sources told O JORNAL.

According to these same sources, some of those individuals, above all military men (not all of them are from yesteryear) but with contacts in the party area of the former AD [Democratic Alliance] and some other conservative sectors, are holding meetings and establishing contacts in order to explore the possibilities for support of a candidate--a military man from that area for Belem.

Gen Lemos Ferreira according to our information--which we were unable to confirm through any other source--would be the "ideal" candidate. But Gen Firmino Miguel would also meet the necessary requirement, with some people thinking that he is even "a better candidate" because, having a more "moderate" profile, he would have more of a chance of winning.

Persons linked to powerful economic sectors and even to some sectors of the Church, although quite local, supposedly are also involved in this "reflection" or this beginning of "action." Some armed forces officers reportedly were also contacted in the most informal way possible in terms of expressing their opinion on this matter.

In the meantime, Radio Rebirth on Wednesday evening broadcast news according to which unidentified military leaders had made a study of the current Portuguese leaders had made a study of the current Portuguese situation, and had drafted a document on the economic and social crisis.

O JORNAL tried unsuccessfully to find out who in the armed forces provided this bit of news.

5058

CSO: 3542/58

CDS SEEN PAINTING ITSELF INTO DIFFICULT POSITION

Lisbon A TARDE in Portuguese 20 Nov 84 p 6

[Text] A mistake frequently made by Portuguese politicians is that, in their public statements, they lack the kind of minimum rigor without which any credibility is lost. Lamentably, this blemish is to be found not exclusively among those for whom we cannot be suspected of holding any sympathy and it may perhaps be a somewhat general thing.

According to what we learned yesterday, CDS [Social Democratic Center Party] chairman Lucas Pires, among some sensible statements made over the weekend at Vila Real, supposedly also said, less sensibly, that his party would never again go into a coalition with the PS [Socialist Party] or go into any election agreements with the PSD [Social Democratic Party].

It is known that, in politics, you never say "never" especially when the thing at stake, instead of being essential, is only secondary. The centrist leader, let us agree, has been pushing himself as a true master in the art of the metaphor which unfortunately takes something away from what he says. But we do not believe that it was his intention to play with words in this case.

Unless we get some kind of denial in the meantime--something which we do not consider likely--Lucas Pires will have ruled out even the assumption of a rehash of the experience we had with the second Soares cabinet, just as he casts aside a return to a new alliance with the social democrats.

If it is confirmed, this statement is undeniably serious. Not, obviously, because we realize that the next several years will bring a need for resorting to a government coalition between the PS and the CDS but rather because, knowing the behavior of the voters, we cannot visualize ruling out the need for sooner or later having the centrists and the social democrats agree democratically on a common strategy for the legislative elections or for other elections (and primarily those).

In rejecting this solution outright, the CDS chairman has placed himself in a position which at the very least must be considered delicate in future terms.

5058

CSO: 3542/58

CDS NATIONAL COUNCIL REAFFIRMS OPPOSITION

Lisbon 0 DIA in Portuguese 25 Nov 84 pp 12-13

[Text] By a vote of 56 in favor, 15 against, and 10 abstentions, the CDS [Social Democratic Center Party] National Council yesterday passed a motion restating support for the orientation pursued by the political leadership headed by Lucas Pires. In practical terms, this move ratifies a proposal recommending the dissolution of the Assembly Over the Republic, holding early legislative elections, and introducing a motion censuring the administration of the central bloc.

A document along these lines was approved early in the morning during a meeting of the Political Commission and, as was underscored earlier, it will obtain wide support from the Christian Democratic Council members.

The latter also spoke out on motions by Lucas Pires concerning the presidential and autarchic elections, deciding that the CDS would hold its own regular congress in Aveiro on 15, 16, and 17 February.

The National Council, which initially was to end its meeting yesterday, decided to continue its work today since the discussion on aspects dealing with internal regulations and the party's relations with the supporting organizations had not yet been completed.

At a certain moment during the National Council meeting, several members disagreed with the document which called for early elections and the dissolution of parliament. Lucas Pires defended this paper, pressing the fact that the CDS "is not afraid of new elections and could be an alternative only if we know its real dimension." Later on a motion was introduced through which the Council expressed itself in agreement with the political commission.

Ills of Socialism

The document approved by this body, justifying the end of the administration, is quite tough; it carefully examines many of the "wounds" that afflict the country. In it, the CDS expresses the opinion that "the country cannot continue for another 12 months, until the presidential elections, practically without any effective administration, as is happening now and as will continue to happen if the current executive branch goes on."

"The administration," the paper adds, "has brought the country the worst negative results ever, both in social and economic terms (inflation, unemployment, and debt) as well as in political, moral, and cultural terms (foreign dependence, corruption, and abortion) and it is necessary to put an end to this growing decline."

"There is no excuse whatsoever for these negative results since the PS/PSD [Socialist Party/Social Democratic Party] coalition has a majority as always, it is not facing any international economic crisis (it could even derive benefit from America's economic recovery and from that of the countries of the OECD in general), and it is facing an institutional conflict and a communist power which is weaker than before," we can also read in the document.

It is emphasized here that "this coalition and this administration generates no hope and no confidence in anybody" and that the executive branch "is no longer capable of renewing or reshaping itself," while it exhausts itself in a senseless and endless squabble and is powerless as it watches the spread of poverty, discouragement, and frustration among the Portuguese."

The Christian Democrats also point to the fact that Mario Soares and Mota Pinto and other members of the administration today have only "one concern and that involves the presidential elections"; it is turning out to be "increasingly remote from the real problems of the Portuguese whose living standard has gone down shockingly." On top of all that, "socialism and the social democrats are those who are mainly responsible for the structural and economic crisis" while all the results of the local by-elections "demonstrate a continuous growth of the CDS as an alternative of democratic opposition" with the decline of the parties in power, which creates the expectation and the possibility "of putting together a new alternative on a Christian Democratic, conservative, and liberal basis in future legislative elections."

On the other hand, the political commission proposed the withdrawal of the administration's proposal aimed at increases in political appointees "which is manifestly untimely and shocking in the light of the economic crisis."

Presidential Elections

Talking to journalists yesterday in the course of the National Council meeting, Vieira de Carvalho disclosed aspects of the documents on the party's presidential and autarchic strategy which the council members were getting ready to vote on favorably.

As for the presidential elections, the motion by Lucas Pires states that "we must condemn any partisan approach and any idea of merely trying to get into power" in going into this election. According to its secretary-general, the CDS criticizes the "calculated move to create a campaign atmosphere more than a year ahead of time" as regards the presidential elections with the "express intention of conjuring up the administration's disaster and incapacity."

The CDS, he noted, will not support any candidate member of any other party, nor any candidacies that are compatible with the perspective of the central bloc until 1987. He rejects the "policy of evolution amid continuity" and aims at "a candidacy of democratic opposition, of opposition to the socialist constitution and to the bloc," fighting for a "new democratic majority that will lead to the country's reconstruction."

The candidate supported by the CDS must "guarantee the greatest possible unity among the entire democratic opposition and must be announced as much as 6 months prior to the elections with a view to "reconstruction and change." The possibility of a civilian or military candidate does not constitute a problem for the party.

As regards the autarchic governments, the political commission understands that the CDS must compete "autonomously," by proposing itself as "alternative both against the communist front and against the parties of the central bloc. All exceptions to this principle will, according to Vieira de Carvalho have to be approved by the political commission on proposal of the district organs.

The motion also is aimed at the establishment of local candidacies of an "enlarged CDS," in an effort to get independent and representative personalities together who will run against the APU [United People's Alliance] and the bloc and who will create greater possibilities of victory.

The Christian Democrats will run throughout the land and will advocate the idea of pushing the immediate choice of candidates and programs with a view to "moral and national reconstruction."

5058

CSO: 3542/58

'PERNICIOUS' INFLUENCE OF GOVERNMENT CRISIS NOTED

Lisbon EXPRESSO in Portuguese 17 Nov 84 p 8

[Text] So we have another government crisis at our doorstep.

Obviously, of course, the coalition is not going to fall. But the simple fact that there is such an assumption will certainly cost the country something.

We must realize that there is a high price to be paid for constant instability in government.

The perplexity which each crisis brings with itself, generating a climate of fear and confusion, which extends from businessmen to public officials, does cause an uncontrollable series of chain reactions.

The investors--who are already investing rather little--stopped investing for some time.

The technicians in the ministries--afraid of a change in ministers--stop work on the studies that are in progress.

The workers (above all those who work in enterprises that are in more difficult situations) do not know what their future will be (in other words, what measures will be taken tomorrow with relation to their enterprises) and lose their incentive and as a result their productivity goes down.

In addition to the above, instability in government has yet another pernicious consequence: It foments conspiracy.

The fact that everybody knows that governments are institutionally fragile and are permanently in danger of falling only whets the appetite of the conspirators--both inside and outside the political parties.

If there were relative certainty that a particular administration, upon taking over, could last 4 years, then the various opposition groups would prepare themselves for becoming the alternative only after renewed elections within the specified deadlines.

But at the point where the principle to the effect that an administration can fall at any moment becomes an institution, the opposition is just about "invited" to replace the democratic struggle with conspiracy and to prepare itself, not for being the government after new elections, but for fomenting a permanent climate of instability from which it can derive benefits.

It becomes quite clear that this climate affects not only an administration that is in power, regardless of what it might be; this climate also affects the political institutions as such.

Hence the urgent need for modifying the system in the sense of guaranteeing greater stability in government.

This would inevitably perhaps involve a strengthening of the powers of the president of the republic, who could not continue to be a mere figurehead and who would have to have executive responsibilities.

The basic thing here is to institute the semi-presidential system of which there was much talk several years ago but which never existed in practice in Portugal.

The Portuguese president as a matter of fact never had the powers which the head of state has in the homeland of semi-presidentialism (France) where he is elected with a program which he promises to carry out, where he draws the broad outlines of domestic and foreign policy, and where he is personally responsible for the administration's activities.

A president elected in this fashion therefore has one advantage to begin with: Throughout his term of office he can guarantee coherence of action. And the citizens know that there will be no decisive changes in political orientation during the years he is in office. In a word: Society knows the rules it must follow during a predetermined period of time. Now, this, we must note, is exactly the opposite of what we have in Portugal where we can have divergent or even opposing policies during the term of office of one and the same president.

To make sure that the country functions properly, it is therefore necessary to bring about fundamental changes in the political system.

And it is a good thing for the current political class to make those changes.

This is because it is obvious in this fashion that those changes are indispensable which, if the current leaders do not make them, will certainly be made by somebody who will simply stage them and carry them out in practice.

5058
CSO: 3542/58

BRIEFS

AMARAL, JARDIM STILL CANDIDATES--The island leaders Mota Amaral and Joao Jardim yesterday accepted the assumption that they would continue to be candidates for the office of president of the republic. In a press conference held in Ponta Delgada at the end of the island summit meeting, Mota Amaral said that support for a presidential candidate comes under the same terms for both him and Joao Jardim. "Everything depends on the program that is presented," the Azorean leader commented. "I am certain that either one of us can support the other," he added in good spirits. Questioned as to whether he would continue his candidacy, Mota Amaral said that both he and Joao Jardim have not yet placed their names on the list of presidential hopefuls and that therefore "it is not we who would cross ourselves off that list." On the other hand, Joao Jardim denied that he was against Mota Amaral's candidacy. "I was against a premature candidacy, regardless of who was involved," he said. The two leaders held a meeting within the party whose content they could not get revealed. "It was more like a talk between friends, extremely open and personal," Joao Jardim confined himself to saying. [Excerpts] [Lisbon DIARIO DE LISBOA in Portuguese 21 Nov 84 p 6] 5058

CSO: 3542/58

LIBERAL INTERNATIONAL BACKING FOR ROCA'S PRD

Madrid ABC in Spanish 25 Nov 84 p 23

/Article by Luisa Palma/

/Text/ Madrid--The very dull atmosphere prevailing in the reformists' discussion yesterday, in the second day of their constituent congress, of their internal organization and their future "government program," which was contained in the reports, was livened up by the presence in the plenum in midafternoon of foreign invitees Simone Veil, former French minister of health and president of the Liberal Group in the European Parliament, and Willy de Clerq, Belgian minister of finance, and president of the European Federation of Democratic and Liberal Parties.

Both entered the plenum accompanied by Migue Roca, the founder of the PRD /Democratic Reformist Party/ and by liberal Antonio Garrigues. They received applause from the delegates, who joined in the chorus of the reformist anthem, which was heard for the first time in this congress. And they were bid farewell in the same way, after their respective speeches in support of the new party and the liberal ideology which it contains. "Good luck and courage," De Clerq wished them, and he said that the PRD was going to be "the only party admitted to the Liberal International;" and Simone Veil did the same, speaking about the importance of this ideology in Europe.

Both speeches and the presence of liberals from other countries were proof of the importance which the PRD has given to so-called "international approval."

The reformists appear to be more clear about the general lines of future political action than about their own internal organization. And it was on this latter point that the only stumbling blocks worth mentioning in the whole day's discussion yesterday arose. Thus, for example, in the committee on the statute, a proposal from the Cantabrian delegation was rejected which would have required at least 15 members of the future executive committee to be elected on the basis of "territorial" representation: that is, one from each autonomy, so that no single one of them would prevail, and not including the Basque Country and Catalonia.

However, in the committee which dealt with party strategy, headed by Antonio Botella, they did accept deletion of the paragraph which stated that the PRD was "self-limiting its representation" in the Basque Country; that is, declining to introduce itself because of the special situation prevalent in this community. Therefore, whether the PRD may or may not make its presence known in this community in the future now depends on a decision by the executive board which will be elected by this congress.

This proposal was presented in the committee which was debating the report by the delegate from Burgos, Francisco Javier Ormaechea, and it obtained 50 percent of the votes. Jeronimo Alberti ended by giving it his approval, although at first he was opposed. Alberti, who heads the Mallorca Union, also wanted to have introduced into the report, within the section on autonomies, a sentence favorable to his little federation stating that the PRD will work to have the peculiar circumstances of the various autonomous communities "find their most effective defence, giving specialized attention to the insular factor." This meaning, which was accepted, is being put there it seems as a precaution against possible future hegemonies of other autonomies. The political report also approved the inclusion of the "right to life," which was not present in the first version, defined in the same sense as in the constitution. So in prickly questions such as the subject of abortion, for example, its members will be free to vote as they choose.

8131

CSO: 3548/53

NATO MILITARY INTEGRATION SEEN KEY TO GIBRALTAR SOLUTION

Madrid ABC in Spanish 28 Nov 84 p 15

/Editorial: "Gibraltar Negotiated"/

/Text/ The socialist government was incorrect in its international policy proposals, especially concerning the question of NATO. Perhaps the key to some rather significant facts may be found in its subsequent rectifications, because of their positive nature. The abrupt shift toward an Atlantic policy would explain the support offered by President Reagan on three matters of utmost national importance: the problem of terrorism, Spain's entrance into the EEC and now, the problem of Gibraltar.

With all due reserve, we should welcome as positive the fact that the British have recognized and agreed, in black and white, to negotiate with Spain the matter of sovereignty over Gibraltar. We feel this is a step forward, because it is the first time in history that the United Kingdom has agreed to allow the essence of the problem to be questioned. However, the British have protected themselves with a sentence: "The British Government will fully keep its commitment to respect the wishes of the people of Gibraltar, as stated in the preamble to the Constitution of 1969." The fact that this "charter" is what is known as a "granted Constitution" and, as such, can be rescinded or amended by the will of the grantor, objectively limits the precautionary sense with which Londong endowed that qualification to its promise to negotiate Gibraltar's sovereignty.

At any rate, the real usefulness to Spanish rights of the agreement that was made public yesterday will have to be strengthened and consolidated through the strengthening and consolidation of the conditions that made it possible for London to reach the agreement. Stated another way, Spain will have to make an effort to remain in NATO. If Spain remains in NATO in a fully military capacity, it will be able to obtain enough continued support from the North American administration to keep the United Kingdom from backing off from the commitments it made in this agreement, evading them through those sections which still contain rather disturbing ambiguity. Only Reagan can constrain the British to be faithful to the spirit of their agreement on Gibraltar.

The United States is the key to the Gibraltar question, just as it was the key to compelling France to change its traditional reluctance to act on our problem of terrorism. And if the United States is the key, we will have to be aligned right down to the last inch, as required by our full military membership in NATO.

REFORMISTS CONCUR ON ROCA LEADERSHIP

Madrid ABC in Spanish 25 Nov 84 p 24

/Text/ Madrid--The majority of the leaders who head the reformist operation in the different communities have one clear idea: Roca is the "undisputed" leader of the whole project. It does not matter that he is not a member of the party, or that he is not the head of it, because this has nothing to do with the fact that he continues at the forefront of the centrist operation which he has sponsored. None of the reformist leaders think that this force is a "new UCD" /Democratic Center Union/, although they admit that many of the former leaders of this party belong to their ranks. Among other things, because the reformist operation did not arise out of power like the UCD, but instead is organized from the bases.

Teresa Mendizabel--President of the Madrid party, former vice president of the Higher Council of Scientific Research, asserts that they would be happy if Miguel Roca should present himself as number one for Madrid in the next elections. "The majority of the 1,500 members in the province are pure reformists, who have never belonged to any political party, with ages between 30 and 45, and almost all from the liberal professions. Also, almost a third of them are women, and we recently received membership applications from many university students." This PRD leader, who also headed the Office of Social Action with the UCD, believes that "we must be pragmatic when it comes to establishing coalitions with other forces, and we ought never to say 'never.'" The leadership of Roca is also indisputable, the Madrid members believe. And concerning Suarez, she states that "we all have great respect for him," and that he would be a very positive force in unifying the center.

Luis Marin--He was the UCD candidate for Cordoba in the autonomous elections, and is now president of the Andalusia Reformist Federation. He believes "it is fundamental for a party to be consolidated humanely," and for him the Reformist Party is this type of structure. "I believe," he said, "that the Reformist Party is an alternative to the socialist government." Marin thinks that the birth of the PRD cannot be likened to a new UCD, because the UCD came into being from power, and the PRD groups did not. However, he admitted that there are many

members who come from the intermediate ranks of the defunct UCD, of who he said that in Andalucia, for example, they make up 40 percent of the party. Marin believes that the reformist program is the program of the center.

Angel Luque--He is president of the Canary Islands Confederation. He thinks that "we are not rightists," and that "centrism and reformism go hand in hand because our economic policy can be rightist and our social policy, on the other hand, leftist." Luque asserts that the Canary Islands Confederation has about 800 members. Luque believes that Roca is "the leader who has brought us together," and he does not fear the influence of Catalonia because "this influence is a good one, and avoids confrontations."

Ricardo Cospedal--He is head of the operation in Castilla-La Mancha, is an engineer, and works as an official in the Ministry of France. "Bipolarization," he says, "seems artificial to me, and I believe that a force like this one had to arise." He said of Adolfo Suarez that he had made mistakes, although he praised him. Cospedal declared that in Castilla-La Mancha the structure was still in the process of being formed, although there are between 1,000 and 1,500 members. Finally, acknowledging Roca as the "indisputable leader," he said that "it is natural that there are members of the defunct UCD in the PRD, because they have been loyal to their centrist ideals, and have been able to resist other offers."

Ernesto Sena--He is the man of reformism in the Valencia community, where it has 2,000 members, most of them from the liberal professions, interclass persons, and most have never belonged to any political party, according to him. Only in Alicante does the influence of the extinct Democratic Liberal Party mean that a good number of them have some political experience. In this region the average age of the members is also between 28 and 40 years of age. Sena participated in the drafting of the economic report, which is considered to be extremely liberal. Concerning a possible preelection coalition with Fraga, he says that "the possibility of such a coalition is not under consideration."

8131

CSO: 3548/53

GONZALEZ INTERVIEWED ON NATO, EC, OPPOSITION PARTY

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 1 Dec 84 p 12

[Article by Walter Haubrich: "Why Spain Wants to Stay in NATO After All"]

[Text] Madrid, 30 November—Spain's Minister President Felipe Gonzalez believes that a majority of the Spanish population will vote in favor of remaining in the North Atlantic Alliance in the referendum scheduled for February 1986. The view of the minister president's is in contrast to polls conducted thus far which indicate that a large majority of the population would like to see Spain quit NATO. Following Gonzalez' proposal for an agreement among the political parties of the country on defense and security policy, which he submitted to parliament last month, popular feeling in favor of retaining Spain's NATO membership seems to have increased appreciably. Gonzalez still believes there was no need for Spain to join NATO in 1982. "If I am in favor of staying in NATO now, then that does not contradict my previous opposition to joining the alliance," Gonzalez said in an interview with this newspaper. "The fact is it is a lot more difficult to leave a military alliance than to join it."

"To quit an alliance such as NATO amounts to creating an imbalance," Gonzalez went on to say. "To quit is to create an illusion among other nations; it also amounts to arousing suspicion of the one who quits the alliance. To join, on the other hand, amounts to nothing or almost nothing of the above. Spain has to make a contribution to the common security of that part of the world to which it belongs—and that is what Spain will do. After all, it is quite natural and logical that if I wish to be a political, economic, institutional and cultural part of Europe's destiny, then I must also make a contribution to that European destiny in terms of security policy. We are a member of NATO and in addition to that we have a bilateral military tie to the United States. That firms up our responsibility for Western security. I do not believe it is necessary to go one step further."

One step further would be the full integration of Spain into the military structure of NATO. At least for the time being that integration is not planned. Gonzalez will have to do a bit more to convince the Spaniards of the advantages of NATO membership. He will have to throw his great personal

prestige into the balance, if he wants to gain a popular majority for staying in the alliance. The referendum, to be sure, is not binding but only of an advisory nature. But if the usual number of people go to the polls and if a solid majority of the voters speaks out against NATO membership, Gonzalez feels he has a moral obligation to leave NATO—even against his better judgment.

Prior to the elections for that matter, when the socialists were promising to hold that referendum, they did not commit themselves to cancel Spanish membership in NATO in case of an election victory. Continued membership in the alliance, they said then, would depend on any quid pro quo that might be obtained. The most important quid pro quo was and still is (and that is no secret) admission of Spain into the European Community and a "significant gesture" by London in the Gibraltar issue. Great Britain has just made this significant gesture by announcing its readiness to hold talks with Spain which would, among other things, deal with the future sovereignty of that colony. Despite all the problems which arose in connection with the most recent negotiations, Spanish admission to the Community would seem to be assured by 1 January 1986.

A lot has been said over the past several months with regard to the alleged or actual costs the European Community would have to bear in case Spain were admitted to that organization. Gonzalez says that the Europeans should also give some thought to what Spain might have to offer to Europe. "In that regard I am not even thinking in the first instance of a large and receptive market which is what Spain means to the member states of the Community. I am thinking more of the political unification of Europe," Gonzalez said. "Sometimes we here in Spain have the feeling that we are much stronger believers in the European movement and in European unity than the rest of the Europeans. The reason for it may be that we are still on the outside and not yet caught up in this routine which can be quite frustrating at times. We will bring a new political zest and a new political force into the Community."

Another contribution Spain would make is to offer her close ties to the Latin American continent and that would be of some importance for Europe. Europe, Gonzalez said, would have to look for its identity outside its borders. If Europe wishes to carry weight in the world, it would have to realize its potential and elicit response outside its own borders. "Only a united Europe with its population of 300 or 400 million can regain the important role in the world which it really ought to and should be able to play and that role, I hope, will contribute to cooperation and a relaxation of tensions. Spain will certainly not be among those nations who are on the slow track of a two-speed Europe."

The Spanish minister president makes a confident and self-assured impression in spite of the many problems which presently plague his country such as rising unemployment, terrorist attacks in the Basque country and strong labor protest against the shutdown of unprofitable state-owned industries. At the end of 2 years in office, his respect and approval rating on the part of the population has not gone down despite the fact that the Spaniards are by no means better off than they were 2 years ago and the fact that the modernization policy accompanied by massive economic reform measures has called upon many Spaniards to make great sacrifices. One is perfectly welcome to call his policies heterodox [he said] in the sense that they do not conform to many of the classical socialist tenets. That does not worry him. What counts for him is that Spain already functions more efficiently since no one fears a military coup any longer and that substantial progress has been made in combatting separatist terrorist groups.

Gonzalez is only 42 years old and within his party his leadership position is uncontested. He feels quite confident that his Socialist Party will obtain an absolute majority again in the 1986 parliamentary elections. Leaving the question aside of whether the socialists are doing a good job of governing and of how well they are doing it, the Spanish voters simply cannot find an alternative among the opposition parties on the right which inspires confidence and appears capable of doing a better job—and that is something that Gonzalez, too, is aware of.

The attitude of the conservative opposition is a matter of concern for Gonzalez. "When I look at the way in which the Spanish right is developing, I feel there is cause for concern that they might give priority to gaining power at the expense of the preservation of democracy. At this time, the politicians of our right are extremely nervous—perhaps because they can see that their chances of winning the election are very slight. And that worries me all the more because my primary goal is to strengthen democracy. The strength of a democracy is based on the fact that if one political party or coalition fails, another stands ready to replace it. At this stage in Spain the right would have very few chances of being accepted by the electorate, if this government were to fail, because it exaggerates to the point of senselessness and displays a lack of moderation and responsibility. There are some rather sad things that are happening in this respect."

An opposition like the rightwing opposition in Spain which has the ambition to take over the reins of government at some point should resist the temptation to vilify the person at the head of the current government. It should not simply give in to this temptation because it thereby jeopardizes such excellent relations as those which exist between the FRG and Spain. "These relations were very good at the time of the SPD/FDP government in Bonn and they continue to be good now that a CDU/CSU-FDP government is in office, since there are more important factors in such a re-

lationship than mere party labels. To be sure [Gonzalez said] I have heard some statements made in our parliament which surprised and dismayed me and probably the German government as well which tried to confound the Flick affair—with which I have absolutely nothing to do—with the economic relations between Spain and Germany.

9478

CSO: 3620/140

SAMPLING OF POLITICAL REACTION TO GIBRALTAR ACCORD

Madrid ABC in Spanish 28 Nov 84 p 21

/Text/ The agreement on Gibraltar has elicited cautious optimism among the ranks of all the parliamentary groups, though most of their leaders said they needed more information. Felipe Gonzalez himself cautioned against making "too much of a fuss," but termed it "an important advance." Only communist deputy Santiago Carrillo seemed rather skeptical about the British change in attitude.

Felipe Gonzalez: "This show of interest on Britain's part is good, but we must view it with certain discretion. Although a new historical process clearly is beginning, it is more a fulfillment of the Declaration of Lisbon. It does imply progress, and one more step forward. There is a process of progress in foreign policy that is being reflected in various areas. Everything has its dimension when foreign policy is conducted in an orderly, united manner, as we are endeavoring to do with regard to the ongoing negotiations on NATO and the EEC.

Saenz de Cosculluela: "It is excellent news. We have hopes that it will be an important step diplomatically. It is positive that contacts are being renewed with the 'Rock.' The declaration is undoubtedly an advance. Prudence, a good political attitude."

Miguel Herrero (AP): "Our position on Gibraltar is clear: Spain must never renounce its demand that Gibraltar be fully reintegrated into Spanish territory; neither should it make any concessions without knowing what concessions it will receive in return. We say 'yes' to reclaiming Gibraltar and 'yes' to the negotiating process, with real compensations on the lifting of transit restrictions. That is our position."

Santiago Carrillo (PCE) /Spanish Communist Party/: "In general, I consider the agreement positive. There is no reason not to welcome it in that sense. But the word sovereignty may give rise to many illusions, though they may be dampened by the qualifying phrase within the same agreement which mentions the rights of the people of Gibraltar. But I think that we should not delude ourselves that Great Britain has accepted the truth about discussing sovereignty."

Calvo-Sotelo (UCE): "This agreement is the continuation of a policy that began with the Lisbon Accords of 1980 and I feel that it is good."

Miguel Roca (CiU): "Every bit of progress along these lines is positive and I am pleased about that. It is clear that everything in foreign policy is interdependent. I think this agreement is an important step."

Marcos Vizcaya (PNV): "I think it is good, although we must study the whole thing thoroughly. For example, we should know what other compensations there are in the agreement. For that, I would need a more complete look at the negotiations. As of this moment, I do not have that information."

Guillermo Kirkpatrick (AP): In the opinion of Guillermo Kirkpatrick, this agreement is nothing but words, and "I think they have pulled the wool over Moran's eyes."

People's Democratic Party: "The agreement appears to be the result of Spain's foreseeable entry into the EEC. But they continue to subject us to the Gibraltar Constitution of 1969, insofar as the will of the people of Gibraltar is regarded as the only measure for regaining the sovereignty that Great Britain owes Spain. We must urge that the government not forget the rights of the Spanish people in the negotiations."

8631

CSO: 3548/57

SOCIALIST PARTY SUFFERS POLL SETBACK YEAR BEFORE ELECTION

Socialists List Campaign Issues

Stockholm SVENSKA DAGBLADET in Swedish 20 Nov 84 p 6

[Article by Bertil Ostergren]

[Text] The Social Democrats plan to make the 1985 parliamentary elections a "fateful choice." They will be represented as a choice between the Swedish model and "foreign-inspired experiments with welfare." The right and big business will be depicted as the main enemies.

This was indicated by secret guidelines developed within the party leadership for the election strategy. SVENSKA DAGBLADET was able to obtain these guidelines.

The 20-page document describes the 1982 election campaign, with its "class character," as a model. It is described as a popular mobilization against the destruction of social benefits, in which the party and the unions worked toward a common goal.

The document blames the party's poorer showing in the polls on unemployment, recent "scandals," discussions between the government and LO (Federation of Trade Unions), and the debate over pensions. Support for the party has changed primarily among young people, pensioners, and families with children.

The document outlines the most important tasks for the party with regard to 1) policies, 2) campaign strategy, and 3) the party leadership.

Do Away

The most important political tasks include reducing unemployment, creating a generally accepted redistribution policy, seeing that the "open hand" is still perceived as relevant, doing away with the symbolic issues of the nonsocialists, and making the election a "fateful choice."

The three major campaign tasks are to carve out an enemy, maintain the image of the nonsocialists' demise, and split the nonsocialist parties.

The leadership tasks include intensifying the "day-to-day struggle" and "maintaining a friendly and constructive dialogue among the party, the government, LO, and the individual unions."

On Right Track

The main thrust of the campaign message is outlined in five reasons for voting Social Democratic.

Sweden is on the right track, thanks to the economic policies of the Social Democratic government.

The Swedish model and welfare policies must be protected against attacks from the "right"--a term that includes the Conservatives, the Liberals, and the Swedish Employers' Confederation. It is said that the right wants "relief for the poor based on demonstrated need."

The Social Democrats guarantee a future of freedom and security by their work for freedom of choice, the wise use of new technology, and a healthful environment.

Peace and the independence of Sweden require a strong defense and a firm policy of neutrality. It is said that the right's "mudslinging and casting of suspicion create uncertainty concerning Sweden's foreign policy."

Sweden needs a strong government.

According to the timetable indicated in the document, January and February will be used primarily for internal mobilization and external information on the topic "Sweden on the right track." The Subsequent months will be devoted primarily to outwardly directed activities with a May Day celebration that will be bigger and more festive than ever before--a celebration that may be compared to the 4 October demonstrations. The election campaign itself will be short and intense.

Youth And Pensioners

The election strategy document of the Social Democrats concentrates especially on the key groups: youth, pensioners, and families with children.

With regard to young people, the party will concentrate on school activities dealing with the peace issue. There will be an essay contest on 1982. It is also stated that "We will demonstrate that our young people like such things as skiing, music, and travel."

Letters will be sent to all pensioners along with their pension checks. Families with two or more children will receive letters along with their child allowance checks.

Special attention also will be devoted to the critical position of the Social

Democrats in Greater Stockholm. The possibility of diverting party funds from other sections of the country to Stockholm is discussed.

The Conservatives are presented as the main opponents. They will be attacked for threatening welfare policies, for their unfair distribution policies, for threatening jobs, for the 6 years of nonsocialist governments, and for "Bohman's deficit." In addition, the election message of the Social Democrats will "link the Conservatives to big business. This will mobilize our own forces and demobilize those of our opponents."

Chilly Exterior

With regard to the Liberal Party, the document states that "We should maintain a chilly exterior. We should not waste ammunition by attacking or defending ourselves against Westerberg and the Liberal Party. The best tactic is to continue lumping the Liberal Party and the Conservatives together."

The tactic toward the Center Party will be to "hit the right through the Center." Since the Center Party is unable to carry out its own policies, it must choose whether it will cooperate with the Conservatives or with the Social Democrats.

The document has a separate section on SAF (Swedish Employers' Confederation), which is described as a thoroughly politicized organization. There are no indications that this situation will change before the election, "but we should be alert to any possible changes and encourage them if they occur."

If the Social Democrats win the election next year and the wage-earner funds remain in place, then SAF will have credibility problems for a long time to come.

Two Point Decline in Poll

Stockholm SVENSKA DAGBLADET in Swedish 2 Dec 84 p 6

[Article by Claes-Goran Kjellander]

[Text] The Social Democrats dropped to 40.5 percent in the November SVENSKA DAGBLADET/SIFO (Swedish Institute for Public Opinion Polls) poll. This is the second lowest figure the party has received since the 1976 elections.

The Conservatives, VPK (Left-Party Communists), and the smaller parties received higher figures and the Center Party received a lower figure than in October.

Together, the nonsocialist parties received 52.5 percent of the voter support, compared to 45.5 percent for the Social Democrats and VPK. The percentage of undecided voters is extremely high.

The SIFO figures for November are as follows:

Social Democrats (S) 40.5 (-2.0);

Conservative Party (M) 28.5 (+1.5);

Center Party (C) 15.0 (-1.0), including Center Party 11.5 (-1.0) and the Christian Democratic Party (KDS) 3.5 (unchanged);

Liberal Party 9.0 (unchanged);

Left Party Communists (VPK) 5.0 (+1.0);

Other parties 2.0 (+0.5).

The survey included 1,568 interviews and was conducted between 24 October and 27 November. As usual, voters were asked which party was best at the moment.

Many Undecided

The number of voters who did not indicate their favorite party was no less than 7.5 percent. This is much higher than normal.

This must be considered when evaluating the figures for the individual parties. It could be, for example, that a large number of persons who favor the Social Democrats or the Center Party ordinarily are now uncertain, for some reason or other, and prefer to abstain.

Even considering this fact, however, the figures must cause concern among the Social Democrats. Since the party will remain in power only if there is a major mobilization among campaign workers and voters, the pressure is now on the party apparatus to reverse this trend.

The Conservatives registered their second highest SIFO figure for the year, perhaps as a result of the publicity the party received in connection with its party congress in late October and early November. The party also increased its lead somewhat over the middle parties. This means that Ulf Adelsohn has strengthened his position as a potential prime minister.

The KDS figure is an interesting confirmation that the party now has established itself at a considerably higher level than before. Since the party decided to campaign together with the Center Party, KDS has practically doubled its support. The Center Party, on the other hand, has lost support among the voters. It is necessary to go back to the polls before the 1982 elections to find a lower figure for Thorbjorn Falldin than the present 11.5 percent mark.

If the present balance between KDS and the Center Party is reflected in the elections, KDS will capture seats in several districts. In this case, the seats taken by KDS will be at the expense of the Center Party.

After last month's decline, VPK has now returned to its previous level of 5 percent.

Social Democrats Lose Ground

The most interesting question, however, is how much significance should be attached to the fact that the nonsocialist parties have now received their highest figures since the change in government in 1976. At the same time, the socialist parties have received their second lowest figure for the same period.

Even with a generous interpretation of the margins of error, it is clear that the Social Democrats have a large gap to close. It should also be remembered that the Center Party usually gains several percentage points during the campaign--a fact that was decisive for the outcome in both 1976 and 1979.

Finally, an exercise in arithmetic will demonstrate the importance of the undecided voters in evaluating the figures.

If we assume that there are 1,000 interviews and 4.0 percent are undecided, then 960 respondents will indicate which party they support. Consequently, 9.6 "votes" are needed for each percentage point and 384 "votes" are needed for 40 percent.

If, on the other hand, 7.5 percent are undecided, then the corresponding figures are 9.25 and 370, respectively. As a result, a party with the same number of supporters can receive a higher percentage when the number of undecided voters increases. In our example, 384 "votes" would yield 41.5 percent in the first case and 40.0 percent in the second.

When SIFO releases its figures, however, it also takes other factors into account. The pollsters know from experience that certain types of error influence the figures and corrections are always made before publication.

Conservative Paper Interprets Poll

Stockholm DAGENS NYHETER in Swedish 2 Dec 84 p 2

[Editorial:"Political Crop Failure"]

[Text] The Social Democrats have been losing support among the voters since the fall of 1981. This is the long-range trend that may be seen in the SIFO voter barometers.

The picture was different last spring. The long-range trend seemed to have been broken and turned upward.

Today's survey seems to indicate that the optimism of spring was a temporary phenomenon. A relatively sharp drop for the Social Democrats in an individual poll is a new phenomenon. The party has not lost so much support at one time since last summer. (We are disregarding the poll of October 1983, which apparently resulted from some unusual factors.)

When the margins of error and other factors are taken into account, it may be seen that the losses of the Social Democrats in today's polls should not be exaggerated. Together with results from earlier this fall, however, they confirm the long-term trend among the voters.

It is probably meaningless to seek an explanation to the Social Democratic losses in individual events. In general, the voters seem to have become less and less sensitive to spectacular issues that arise in the public debate--and die just as quickly as they were born.

The voters have become chastened. They have learned that all parties make promises and then go back on their word once they have gained power. They have learned that both nonsocialist and socialist governments step on political land mines once they have taken over the leadership of the nation.

Individual events are less important than the overall impression of efficiency.

After 6 years of nonsocialist governments, many voters were sick and tired of internal bickering and mixed political messages. Marginal voters between the two political blocs began to believe that the Social Democrats would be more skillful in the art of governing. The Social Democratic regulars were convinced that this idea was correct.

The economy, as reflected in the export figures, profits, and the trade balance for the fall of 1983 and spring of 1984 seemed to confirm the idea that the Social Democrats were more capable of governing than were the nonsocialist parties.

Experience this fall has given the voters a different picture. The prolonged contract negotiations have gradually undermined confidence in the government's ability to govern. There is little confidence in the government's ability to reach its inflation goal for next year, even though we have not yet entered the calendar year 1985. The total failure of this year's battle against inflation is even more clear.

In addition, now that the economy seems to be improving, the government is presenting an "emergency package," with an increased gasoline tax, among other measures. This is creating a picture of confusion and incompetence.

But this is not to say that large groups of voters are turning from the Social Democrats in disgust. But the party has failed to demonstrate any greater capacity to govern than the nonsocialist parties, which formed coalition governments between 1976 and 1982.

This means that the Social Democrats have lost their advantage among the voters. They have no greater credibility than the opposition when it come to economic policies. As a result, long-term structural forces are at work that will unavoidably weaken the position of the Social Democrats among the voters.

In other words, it appears that the political seed sown early in this term of

office--especially the devaluation--has failed to yield the abundant harvest the Social Democrats anticipated after 3 years. The soil is simply too depleted for the Social Democratic policies. Their policies require fertile soil--soil that has not been depleted by record harvests in previous years.

This is not to say, however, that the Social Democrats face certain defeat in next year's elections. If doubts concerning their economic policies continue to grow and the impression of uncertainty and a lack of skill in economic policy is reinforced, however, then the Palme government will have an extremely difficult time obtaining renewed credibility for next year's elections.

9336

CSO: 3650/76

INITIAL SECTION OF DEMOCRATIC LEFT PARTY PLATFORM

Istanbul CUMHURİYET in Turkish 3 Dec 84 pp 1,11

[Text] Ankara--The first segment of the draft program of the Democratic Left Party [DLP] which is continuing its organizational preparations has been published. The introductory segment of the DLP program states that DLP will work for a stronger Turkey and a genuine democracy as a party with no yearnings for the past. It has also been disclosed that the number of DLP founding members has surpassed 20,000. In an announcement by DLP's Organizational Preparation Bureau the "Contents" and "Introduction" chapters of the party program were made public.

The "Introduction" chapter of the DLP program says:

"The program of the DLP is the program of a forward-looking party which does not yearn for the past even as it utilizes the experiences of the past; which works for a freer and more harmonious society, a more genuine and a better functioning democracy, a healthier and more equitable development and a stronger Turkey than in the past or at present.

"Special care has been taken to clearly state the party's principles, rules and goals and to define terms in the program. While the resolution of certain details of practical concern requiring technical work has been postponed until after the party is founded, the program covers basic strategies and policies as comprehensively as possible.

"The program takes realities in Turkey and the world into account, but it does not bow to all realities; it does not consider all realities as unchangeable.

"As the country progresses on the path of development; as impediments restricting freedom, creativity and productivity are overcome; as the society rids itself of certain preconceptions; as the conditions and the problems of the society change; and as hardships which people cannot overcome individually are overcome through solidarity, some realities can be changed while others can be interpreted or assessed differently, and these changes can help society and the individual to develop their character and to adapt to new conditions.

"The DLP program has been drafted with a realistic approach which is not a captive of the realities. The DLP sees realism not as an excuse for conservatism or for postponing and neglecting certain moves forward, but as the

starting point for changes and forward moves that are necessary for equitable and rapid development and for broadening and strengthening democracy.

"The DLP program states not only what will be done and how, what solutions will be found to which problems and which realities will be changed in what direction, but what is seen as necessary and why, which realities are desired to be changed and why or why they should be interpreted differently.

"The DLP is a party which fundamentally differs from those who yearn for revolutionarism of the type 'against the people for the people'; which seeks the approval and the participation of the people in each step it will take, in each change it will institute and in each solution it will implement. For this reason it considers it a duty to explain in its program every step it will take and every change it will institute, sometimes in a general outline and when needed in detail.

"To counter the efforts of forces which oppose these changes and steps to indoctrinate the public, the program has found it appropriate to pursue a similar approach."

Other Segments

The "Contents" and "Introduction" segments which have already been published will be followed by chapters--to be published in segments--entitled "Democracy," "Free Man, Free Society," "Freedom and Independence," "Development," "The Use of Resources Consistent with Economic Goals," "Popular Development with the Participation of the People," "The State," "Man and Society" and "Rules".

After the program--which will be 125 typewritten pages long--is published in its entirety and is approved by the founders' council in its final form, the required official procedures will begin to establish the party.

9588

CSO: 3554/60

COMMENT ON PAPANDREOU AS UNPREDICTABLE NATO PLAYER

Istanbul TERCUMAN in Turkish 3 Dec 84 p 4

["Brussels Notes" column: "Tension in NATO"]

[Text] The meetings of the NATO defense ministers generally do not enjoy the public's attention--or rather they did not until two years ago. That is because at these meetings various complex defense plans are discussed, strength targets are set for the alliance, and the defense ministers use the opportunity to meet each other and to talk in private.

But all this changed when Papandreou began attending these meetings. As is known, Papandreou is Greece's prime minister as well as its minister of defense. At the beginning, Papandreou did not pay much attention to this job, and he used to send his deputy to the meetings in Brussels. But for the last two years he has been wearing his defense minister's hat and has been attending the meetings at the NATO headquarters "with the aim of causing trouble."

Two years ago, he came to the meeting and raised a clamor by saying: "Turkey is threatening us. I want guarantees from NATO." Papandreou went even further than that and accused Joseph Luns, the NATO Secretary General then, of being "pro-Turkish." That gave rise to a major argument in the meeting hall. Matters worsened when NATO Commander-in-Chief Rogers intervened. In the end, the NATO defense ministers' meeting adjourned without a joint declaration for the first time in history because of Papandreou's objections.

Speaking to reporters at NATO Headquarters, NATO Secretary General Luns said with reference to Papandreou: "This man is a nuisance."

Last year, when Papandreou staged the same play, Luns exploded. He said: "Whether you sign or not, I am going to issue a joint declaration." Upon that, Greece's prime minister "with the defense minister's hat" was forced to withdraw.

Today, the NATO defense ministers are meeting again. The agenda of the meeting which will last through 5 December includes complex and technical defense issues. But it appears that Papandreou will once again play the leading role and try to cause a scandal. This time the issue is Limnos.

Papandreou is convinced that he is well prepared on the issue of Limnos and that he has cornered Turkey.

Ankara and Athens have been quarreling over whether "Limnos can be militarized." Meanwhile, Papandreou has been pressuring NATO "to include Limnos in their military exercise plans." NATO has so far rejected that offer. Now Papandreou has placed an army brigade on Limnos, has reinforced with two fighter squadrons and is offering this valuable gift to NATO on "a silver platter." He is telling them: "You can have it. I am putting everything at your disposal."

It can hardly be said that NATO is not pleased with this offer. What is being offered is a fully-equipped military force at the center of the Aegean overlooking the sea lanes to the Mediterranean. It is not too easy to refuse such an offer, particularly at a time of allegations to the effect that "the Russians are gaining dominance in the Mediterranean and NATO is falling behind Warsaw Pact forces."

Meanwhile, Turkey opposes Greece's efforts to militarize Limnos in violation of the Lausanne Treaty and to have this move approved by NATO. Ankara has also made it clear that it is determined to prevent any resolutions from being passed in connection with Limnos on the basis of one formula or another.

Turkey is in a truly difficult situation. Because in effect Ankara, as an alliance member, is rejecting a military force dedicated by another member to the strengthening of the alliance. But there is nothing else that can be done. If Turkey says "yes" in the case of Limnos, it will open the way for the violation of other provisions of the Lausanne Treaty. That is why Turkey does not want NATO to intervene in the matter and says: "I will settle my own quarrel with Athens. Let no one else intervene."

But Papandreou is irreverent, irrational and full of self-contradictions. He is furthermore concerned about upcoming elections. His situation is not too bright at home. Inflation remains out of control, and unemployment is rising. PASOK's phony socialism has not helped anybody.

Papandreou has also botched the foreign adventures he has undertaken to head off collapse at home. He brought Qadhafi and Mitterrand together in Crete for discussions over Chad and announced to the world: "An agreement has been reached. I reconciled the two leaders." Only 24 hours later Libya and France were quarreling with each other.

Limnos is Papandreou's last trump card. He has no reply to the question: "You promised to withdraw from NATO and to close the U.S. bases in Greece before you were elected. Now you are offering Limnos to NATO." That is because Papandreou is a man whose life is filled with contradictions and zigzagging. He cares nothing about the world. His only concern is the shakiness of his power.

As unlikely as it may be, things may go the other way. For instance, Papandreou may choose not to come to Brussels. Or, he may come to the meeting like a good boy and say nothing about Limnos. Can that happen? Of course it can. After all, this is Papandreou.

WOERNER, GEN MACK AIR VIEWS ON NATO STRATEGY, PRIORITIES

Woerner on 'Emerging Technologies'

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 1 Dec 84 p 2

[Text] Defense Minister Woerner wants to try to make sure that NATO adopts a better criterion for judging the performances of its member nations than the mere allocation of the defense contribution to determine whether the individual countries are raising their defense budgets annually by at least 3 percent of real growth. The minister said this on Friday during a preview of the NATO autumn conference which begins in Brussels on Monday. Behind this remark is the fact that the FRG will be confronted in Brussels with the reproach that, in addition to Denmark and Portugal, it is the only country which, in the judgment of NATO Secretary General Lord Carrington, remains below the 3-percent growth figure. On the other hand, however, the annual evaluations of the defense contributions by the Alliance show that the FRG is definitely above the average.

Woerner expects three main topics in Brussels: The topic of arms control, the topic of the approval of the new NATO infrastructure program in the amount of 3 billion accounting units [ECU] or DM22 billion, as well as the question of strengthening the Alliance's conventional defense capability. As the minister announced, he will make it clear that the FRG is interested in including both nuclear medium-range weapons and the conventional armament sector as topics if, at the start of next year, Soviet-American arms control and disarmament negotiations should be resumed. An important preliminary decision on this is expected in connection with the meeting between the United States and Soviet foreign ministers on 7 January.

More clearly than has been the case until now, Woerner showed what ideas and goals he pursues as part of the efforts being made by the Alliance to strengthen its conventional defense capability. First of all he explained that this is not a matter of replacing nuclear weapons with conventional weapons because this would mean that wars would again be possible in Europe and the danger of war thus would grow. Next, Woerner made it clear that all plans for conventional reinforcement currently under discussion can be judged only as soon as NATO has completed the frame of reference for such plans and has spelled out the priorities for the tasks to be accomplished.

Woerner said that he would try to make sure that these studies would be completed next year. Both the initiative by United States Defense Secretary Weinberger, concerning the promotion of modern weapon technologies (emerging technologies) to engage the second strategic echelon and the effort to engage the air bases of an aggressor, and another American concept, which is directed only against the aggressor's air force, but also the concept of NATO Supreme Commander in Europe General Rogers on engaging the follow-on forces, called FOFA (follow-on forces attack) would have to be judged as to whether and to what extent they agree with this catalog of tasks and priorities.

The FRG defined its own interests in this kind of catalog as follows: The most important task is defense against the aggressor's first echelon [wave] close to the border. The second most important task for the FRG is to make sure that the enemy's air forces can be engaged if possible at their bases. In third place only comes action against the second strategic echelon, in other words, the units with which the Warsaw Pact wants to break through the NATO defense lines in case of an attack, as far as NATO has been able to figure out.

Concerning Rogers' FOFA concept, Woerner remarked that important prerequisites do not yet exist for this idea in technical terms. To engage the second echelon with conventional weapons over a distance of 100 km and more, one would need large numbers of guided precision weapons which so far essentially do not exist but one would also need a high-capacity reconnaissance system that would facilitate instant reconnaissance. Both of these things are not yet available at this time. The German defense minister stressed yet another point: In the strengthening of the conventional defense capability with the help of new systems, the FRG will try to make sure that those weapons would be developed which would be capable of involving the main source country of the attack, with its own territory, in wartime combat operations. The aggressor must be made to realize that his own country will have to bear the risk of war fully from the very first moment on. Only this would guarantee deterrence.

Mack Denies 'Aggressive' Planning

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 3 Dec 84 p 6

[Text] The worry to the effect that the buildup of an American defense system against intercontinental missiles could lead to "uncoupling" -in other words, to a separation in NATO between the United States which is most extensively secure against the danger of attack and an increasingly threatened Western Europe--is at the focus of talks with the Americans within NATO. This was disclosed by General Mack, deputy NATO supreme commander, in a conversation with Radio Germany. The German four-star general came up with a conditional answer to the question as to whether the worry of the Europeans, to the effect that they might be uncoupled by an American space defense system, has decreased any in recent times. If one assumes that there is a possibility that medium-range missiles--such as the SS-20--"are easier to intercept than intercontinental missiles," then this worry has decreased, said Mack. But at the same time he emphasized that he had no reliable knowledge about this possibility

and that he had only "heard about it." "To that extent, this worry has decreased. But it is at the very focus of our talks with our North Atlantic Alliance partners," said the general.

Mack pointed out that the share of the Europeans in Europe's defense is considerable right now. If the Alliance had to meet an attack today, said Mack, then the Europeans would supply 90 percent of the NATO ground forces and 75 percent of the air and naval forces in Europe. The European Alliance partners maintain armed forces totalling about 3 million men and women whereas the American forces included only about 2 million. "The Europeans are making a quite considerable defense contribution which is frequently somewhat underestimated and even overlooked in the United States," he added.

Mack resolutely came out against the suspicion that the Alliance is drafting an offensive concept. When questioned about the "FOFA" (follow-on forces attack) planning guideline--which contains a concept for how one could prevent the aggressor's deep-echeloned reserves from advancing, with the help of conventional arms, in case of a Soviet attack--Mack said that this does not involve attack operations but rather only considerations as to how the enemy's reserves could be prevented from getting to the battlefield and strengthening the attack. The FOFA paper is now being made available to the nations within the Alliance so that they themselves might look into the possibilities that exist or that could still be developed. Among all of the missile systems so far introduced in NATO, there is only one that has a capability of being used for this mission with conventional warheads. This raises not only the question as to adequate target accuracy but also the question of cost-effectiveness. The general advocated the view that one could not so paralyze the manifold transportation arteries, which are available to the Warsaw Pact, with available conventional weapons, that the aggressor's second strategic echelon could not reach the battlefield.

On the question of new disarmament negotiations, General Mack commented that one should not expect any immediate results from the Soviet contacts scheduled for January. But he does believe that the emerging contacts between the two big powers would lead to concrete arms control talks. Mack however proved to be skeptical regarding the idea that one could negotiate on all topics--from the space question via the intercontinental weapons all the way to the medium-range weapons--as an overall complex. The individual issues are entirely too complicated for negotiating everything under one umbrella.

5058

CSO: 3620/156

NEW WEAPONS GENERATION SPARKS GROWING CONTROVERSY IN NATO

Stockholm DAGENS NYHETER in Swedish 13 Oct 84 p 13

[Article by Harald Hamrin: "New Weapons Generation Reason for Conflict Within NATO"]

[Text] Brussels, Oct--A new split is developing within NATO. The growing crisis could become just as serious as was the conflict about the U.S. Pershing 2 missiles and the cruise missiles.

This time, however, no new nuclear weapons are involved but new conventional weapon systems, called E. T.

Concealed behind the abbreviation is not the friendly little space creature which has become a superstar in the movies. NATO's E. T. are super-smart weapons, laser-guided missiles, computer-guided communications systems. These advanced novelties are called "emerging technologies"--or simply E. T.

Along with with the E. T. systems, the role of conventional weapons in this age of nuclear weapons is also under discussion, and further the major issue of NATO's defense doctrine. The doctrine has been based on the concept of "flexible response" to a potential Soviet attack on Western Europe since the mid-1960's..

Questions of Threat

To NATO it is a matter of fundamental defense cooperation issues. How does the threat from the East appear, how should the threat be met militarily? Simultaneously, the role of the United States and Western Europe in the Western military alliance and the distribution of the costs is discussed.

Naturally, spokesmen for NATO headquarters here in Brussels try to subdue speculations about problems and controversies around E. T.

"It is quite obvious that NATO must utilize the technological lead we have over the East." These are the words of Norwegian general Tonne Huitfeldt, who is head of NATO's international military staff.

"But it is not a matter of a dramatic revolution in military technology; rather, it is a slow development. Many of the much debated systems do not exist at all today. Others are so expensive that they cannot be fully used.

General Huitfeldt also stresses that NATO's intent with the E. T. systems is not to build up a strategy which breaks down the "traditionally defensive fundamental structure" of the alliance.

Polemic

The wording conceals a diplomatically worded polemic against critics in the East and West, accusing NATO of slipping toward a more offensive strategy, a strategy of "deep strikes" inside enemy territory, which in the Soviet Union and in the Warsaw Pact can be perceived as militarily and politically provocative.

It seems completely clear, however, that the doctrine of flexible response officially adopted by NATO in 1967 is in the process of being reformulated. Opinions are divided as to precisely how deep-reaching the changes are.

The doctrine of flexible response means that a potential attack on Western Europe should be countered with a series of "step-like" countermeasures. The countermeasures are adjusted according to the appearance of the attack: conventional measures, nuclear weapons and strategic nuclear weapons.

The enemy should never be certain in advance when NATO will go from one step to the next. The idea is that this will increase the deterrent effect and decrease the risk of an outbreak of war--with conventional weapons or nuclear weapons.

Balance

However, according to many observers, the basis for this doctrine has been eroded through the development of the last few years. For many years an approximate balance has been in existence as concerns strategic nuclear weapons. Since the end of the 1970's the Soviet Union has acquired a clear superiority in tactical weapons in Europe. The East also has a clear superiority in conventional weapons.

The supreme commander of NATO in Europe, U. S. Gen Bernard Rogers, has often said that the Western side would only be able to stand up to a Soviet attack with conventional weapons for a few days. After that, it would be faced with the choice of surrendering or resorting to nuclear weapons--even the biggest ones.

Out of this insight, the debate about the flexible response doctrine being insufficient was born. But the question is toward what direction the debate is pointing: Toward a fundamental reformulation of the doctrine or toward a deepening and a consolidation of it?

The proponents of the E. T. systems--most eager of them General Rogers himself--maintain that it is a matter of adapting flexible response to new conditions. Opponents fear that the doctrine is being abandoned in favor of another doctrine which is more aggressive or offensive.

From a purely military viewpoint the E. T. systems are intended to be used for deep strikes behind the enemy's first wave of attack. The targets will then be the reserve divisions of the second and third wave, which are to be thrown into battle when the divisions of the first wave of attack have spent their strength in the initial fighting.

Facilities which are necessary in order to support the enemy's continued fighting are also to be attacked. These are targets such as ammunition dumps, oil depots, railway junctions, road intersections and air fields.

But in practice this harbors problems with clear political complications. The traditional NATO tactic has been based on the assumption that the enemy is to be met just inside the GDR-FRG border, and there, if possible, be "worn down" by means of massive fire in a rather stationary test of strength.

The developments of the last few years within the Soviet Army have provided the latter with an entirely new mobility and offensive capacity: more modern tanks, self-propelled artillery pieces and a very large number of armored troop transports. Such an enemy cannot be met with wearing-down tactics; he must be defeated with his own weapons--mobility, rapid and daring maneuvers, that is to say "deep strikes," in which the E. T. systems play a key role.

In so doing, however, the struggle is removed from the immediate vicinity of the borderline between East and West--into Poland, Czechoslovakia or even to the western parts of the Soviet Union. And what was intended as defense could be perceived as attack by the opposite side.

Thus General Huitfeldt's somewhat uneasy assurance that nothing of what is now being discussed within NATO in connection with E. T. is intended to break with "NATO's traditional defensive base structure."

Concern

In various quarters there is widespread concern over growing offensive intentions on the part of NATO. This concern is noticed not only in the Soviet Union, where the new E. T. systems and their consequences for waging war have been condemned in harsh terms.

The concern has also been worded by Gen Meinhard Glaz, "inspector-general" of the German Bundeswehr. In an interview in the magazine DER STERN 2 years ago, Glaz rejected all thoughts that FRG forces should be, or might become, so equipped that they would be able to attack deeply into Warsaw Pact territory.

The mere suspicion that German forces would once more expose Polish and Russian villages and cities to death and destruction is too sensitive politically.

But the E. T. systems have given rise to conflict within NATO not only for reasons which are connected with their military consequences or political and psychological implications. Beyond that, it is possible to see even today the

beginnings of a dispute between the United States and its Western European allies regarding who is to manufacture the weapons and who is to pay the bill.

Expensive

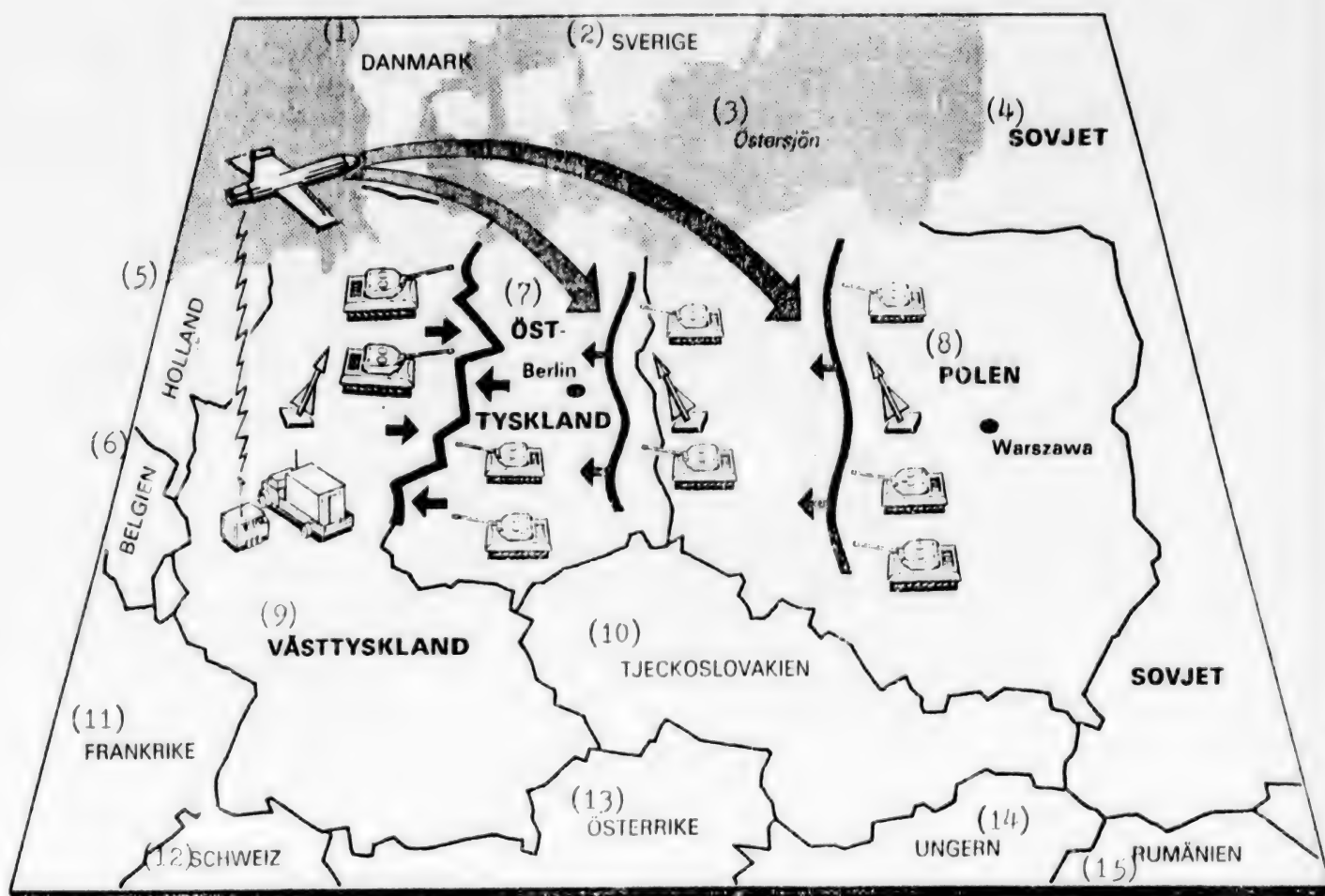
The new and advanced E. T. systems are tremendously costly. There is risk that the money would not suffice for other and equally necessary investments. And, West European governments anxiously ask themselves, is it also true that the enthusiastic interest for E. T. displayed by the U. S. generals can be explained by industrial and trade-political considerations?

Today, the majority of the E. T. systems in existence or under development are of U. S. origin. Western Europe does not have very much to offer.

"U. S. technology is, of course, leading in the circle of NATO countries," one source in the U. S. NATO delegation in Brussels says. But investment in E. T. must not for that reason become a "buy American operation." Defense Minister Weinberger himself has assured our European allies that this will not be the case--for then nothing will come of E. T. at all. That is the simple fact.

But the West Europeans do not feel becalmed by this. Among NATO's European states there is deep concern that all the talk about give and take between the United States and Western Europe regarding weapons production and weapons trade within NATO will remain just beautiful but empty words.

Here is the seed of a conflict within NATO, whose extent and depth can only be hinted at today.



With new, highly technological weapons, the struggle can be moved far behind the front--into Poland or the Soviet Union. It will become difficult for the opposite side to distinguish between what is defense and what is attack.

Key: 1. Denmark	6. Belgium	11. France
2. Sweden	7. GDR	12. Switzerland
3. Baltic Sea	8. Poland	13. Austria
4. Soviet Union	9. FRG	14. Hungary
5. the Netherlands	10. Czechoslovakia	15. Romania

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CSO: 8150/0510

CONFIDENCE IN TORNADO'S CAPABILITIES REAWAKENING

Central to NATO Strategy

Bonn DIE WELT in German 1 Nov 84 p 6

/Article by C. Graf Brockdorf: "Tornado Remains Cornerstone of NATO Strategy"

/Text/ Neither the British Royal Air Force (RAF) nor the Italian Air Forces or the FRG Luftwaffe have any intention of altering their Tornado combat aircraft. The Tornado flies with astonishingly few childhood diseases. Experiences thus far have exceeded all expectations. The full operational capabilities will presumably not be determined in flight until 1986.

The process of becoming familiar with a weapons system, which in respect to its breadth of performance is not surpassed by any aircraft in the world, takes that much time. Two events have caused the Tornado to be the subject of discussion: not long ago a Tornado crashed not far from the Radio Free Europe transmitter near Holzkirchen west of Munich. It was said that the radiation from the transmitter could have had an influence on the automatic flight attitude control of the Tornado, a suspicion which lingers on. Likewise, not long ago an aviation engineer from one of those companies that played a significant role in the Tornado project was arrested under suspicion of espionage. This caused speculation that the entire Tornado weapons system was made known to the East through betrayal and that the East need do nothing further now in order to cause in all eventualities all Tornados to crash one after the other using radio waves.

The Radio Free Europe transmitter near Holzkirchen is the strongest emitter in Europe. It is clear that the aircraft accident is due to pilot error because he failed to observe the requisite minimum distance from the emitter. From the very beginning the Tornado manuals referred to possible hazards from strong emitters which had to be skirted with minimal safety margins for as long as hardening of the Tornado's electronic system had not yet been further improved. Hardening was not at all casually neglected, for in fact it results logically from the experiences gained while flying the operational fundamentals of the Tornado. In other words: it was a question of a consciously introduced technical process of maturing the aircraft in the army. This also requires safety conditions in peacetime operation.

The location of strong emitters is known to every Tornado crew. There is no problem in flying around them with the help of the incomparable Tornado navigation system: in the morning when the crew enters the aircraft this system "tells" it first off at what exact point on the surface of the earth the plane had been parked. If the Soviets wished to try to repeat the accident of Holzkirchen, they would have to pave their territory with transmitter posts several hundred meters apart which emit at the level of Radio Free Europe. Conjectures that the Tornado can easily be caused to crash are unfounded: a second Tornado circled the Holzkirchen transmitter searching for the wreck--without an accident.

Military people who are involved with the Tornado suspect the Federal attorney general of having precipitously started spreading speculation about the case of betrayal, including several conclusions about the weapon system, following the arrest of the engineer under suspicion of espionage. There is a fair amount of astonishment about this. The Federal attorney general and his aides are lawyers. It is their job to get to the bottom of the substance of any possible betrayal. Whenever that has been done they must send their final report to the military. Only Tornado experts are in a position at all to judge the extent of a betrayal. Meanwhile, the lawyers should be advised to devote themselves to their job.

A case of betrayal from the industrial sector should be taken seriously because the Soviet Union, which in large measure has developed its modern weapons on the basis of Western technology, has perhaps been spared important work in the development of the most modern aircraft. The real secret of the Tornado is the integration of its electronic systems which are grouped around the digital process computer, the heart of the Tornado bomber. If that had been betrayed, the Soviets would be substantially further along.

In the case of the three air forces which are directly affected there is naturally concern about the reported instance of espionage because no one likes to see details of a weapon system becoming known to the enemy. But this has changed nothing about the daily routine of the air forces with the Tornado weapon system and the certainty of possessing an aircraft which is appropriate to applicable NATO strategy.

NATO strategy states in a binding way that the West will never be the first to take up arms. But if it were attacked, the Tornado is the first choice weapon to hit the enemy deep in his back country: counterattack is the best defense.

Crash Cause Repetition Unlikely

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 26 Oct 84 p 4

/Article by Gunter Paul: "Tornado Crash From Radio Waves?"/

/Text/ The Bundeswehr's Tornado combat aircraft has been criticized in recent weeks primarily because of a crash which took place at the beginning of July not far from the Radio Free Europe transmitter in Holzkirchen near Munich. During this time a secret service expert ostensibly claimed that in an emergency

the East can cause the aircraft to crash using radio waves. It has become practically worthless since the East has learned of its equipment through the betrayal of spy Rotsch at Messerschmitt-Boelkow-Blohm. This oversubtle statement, however, does not hold up under closer review.

Among other things, what is significant about the Tornado is its costly electronic systems. The aircraft was built according to the new principle of "fly by wire." This means, among other things, that there is no mechanical connection between the control column and control units, thus, for example, the rudders. Instead the control elements are moved by electric impulses over wire. If there is rather extensive interference with the electronics needed for this then the result can be the crash of the aircraft.

Following the Tornado crash in Holzkirchen costly simulation and field experiments had been initiated which were supposed to clarify to what extent proximity to the Radio Free Europe transmitter contributed to the incident. The final outcome of these studies is, of course, not yet available, but nonetheless there are now concrete indications that the electromagnetic impulses of the transmitter were at least partially responsible for the crash. For the present it is still unclear whether this "responsibility" will not go even substantially further.

Meanwhile the experts rule out the idea that such an incident could be repeated in this form since the configuration of the combat aircraft has in the meantime been altered through constant improvement. Also, the precautionary instructions to skirt transmitters at a greater distance have again been reduced. A special hazard for the Tornado in an emergency because of the fly-by-wire principle is not viewed by the experts as a given. To intentionally "shoot down" with transmitters the Soviets would, of course, need units with the output of the Holzkirchen transmitter located close to one another along their border because they do not know in advance the course of the Western aircraft. Such an expense would be absurd especially since simpler measures to counterattacks by the Tornado are conceivable.

According to the findings of Western experts in an emergency the Soviets will try to intercept the combat aircraft in flight and destroy its approach radar. Among other things this radar has the job of recording terrain elevations. If this fails the Tornado must climb and can then no longer make use of one of its most important properties--extremely low-altitude flight. This is how it can be achieved for defensive systems.

Japanese Interested in Procurement

Bonn RHEINISCHER MERKUR/CHRIST UND WELT in German 19 Oct 84 p 8

/Text/ Japan could soon number among those countries which want to acquire the Tornado multipurpose combat aircraft for their air forces. Tokyo is in contact with the German, British and Italian companies which are effecting the Tornado program via a consortium. The decision by the Japanese Government can be expected in 1985.

BRIEFS

TANK-FREE ZONE URGED--If it were in power at this time, the SPD [Social Democratic Party of Germany] would urge, within NATO, that not only an atom-free zone but also a zone free of tanks and chemical weapons should be created on both sides of the inner-German border. This was stated by opposition leader Vogel in talking to a Finnish newspaper over the weekend. Questioned on the Flick affair, he advocated the view that there is no government crisis but that there is a crisis of confidence because the people supposedly have the impression that government authority does not spring from the people but rather from the executive suite of a big corporation, in certain cases. In this connection he reproached Chancellor Kohl saying that he issued an amnesty by "sleight of hand" and thus wanted to "sweep everything under the rug." Regarding his own party's role, he commented that it only violated the publication obligation. But there is not a single case where somebody from its ranks improved his personal income situation, like former Lower House President Barzel. No social democrats could be accused of bribery or tax evasion. [Text] [Frankfurt/Main FRANKFURTER ALLGEMEINE in German 3 Dec 84 p 1] 5058

FRANCO-GERMAN ARMS COOPERATION--Members of the defense committee of the Lower House discussed questions of strategic planning and armament cooperation in Paris with Defense Minister Hernu, Chief of the General Staff Lacaze, the defense committee of the National Assembly, and in the Foreign Ministry the Bonn members of Parliament had earlier established corresponding contacts in London. France desires cooperation in the "Fighter for the Nineties" which is to take the place of the "Phantom" in the West German Air Force during the next decade. While the Germans started with the requirements of an air-to-air combat instrument, the French are thinking more in terms of air-ground employment. For the experts in Bonn, British-German-Italian cooperation on the "Tornado" established criteria--also as regards the need to stay within the cost estimates--which are difficult to top. The defense committee's members are also rather reluctant regarding the project for a French-German observation satellite, judging by the declaration of intention from Chancellor Kohl and President Mitterrand, although the value of a political nudge "from topside" is not looked down upon. To do justice to all cases, one would have to contemplate a whole range of satellites for radio, radar, IR, and radio observation. [Text] [Frankfurt/Main FRANKFURTER ALLGEMEINE in German 24 Nov 84 p 1] 5058

RESERVE TRAINING TO INCREASE--Defense Minister Manfred Woerner (CDU [Christian Democratic Union]) in the future wants to call armed forces reservists up for exercises more frequently although the exercises are to be shorter. On the weekend, during a meeting of the association of reservists in Bonn, Woerner said that more frequent but shorter exercises over an altogether longer period of time certainly would burden the economy and the individual less. But they would be given knowledge over a longer period of time and this also promotes comradeship and cohesion. During the 1990's it would be necessary annually to fill 15,000 exercise slots to guarantee the readiness of the reserves in terms of personnel as well as the training of the reservists themselves. Next year, it would be possible to call up for exercises 63,000 reservists more than in 1982. By virtue of their service in the armed forces, the reservists would considerably help in making sure that the armed forces will be ready in peacetime and that they could rapidly and smoothly be brought up to the required strength of more than 1.3 million men in case of tension for war. Woerner praised the work of the association of reservists with its more than 90,000 members. Woerner emphatically stressed the idea that the defense budget was raised in a disproportionately high manner in spite of the need to consolidate government finances so that the armed forces will be able to accomplish its mission during the coming years in terms of personnel and equipment as they have in the past. West Germany's defense efforts must be guided by the threat. Anybody who says that we need to change our estimate of the security situation, anybody who says that the estimate of the Soviet threat by NATO is hysterical and exaggerated and that there could in reality be no talk of the East's superiority, is just closing his eyes to reality. [Text] [Frankfurt/Main FRANKFURTER RUNDSCHAU in German 19 Nov 84 p 1] 5058

TANK BARRIERS ALONG BORDER--The armed forces are currently putting up tank barriers along the Bavarian-Austrian border. It was announced in armed forces circles on Friday that, in case of war, one could not rule out an attack on the FRG in disregard of Austria's neutrality. This is why precautionary measures must also be taken along the Austrian border, such as they already exist along the border with the GDR and Czechoslovakia, but also with Switzerland. It was said that the activity along the Austrian border involves a "area network" of barriers. These tank barriers in each case consist of 30-80 "manhole covers" which are dug into the access roads leading to the border "at tactically favorable points." In case of a "national emergency" so-called double-T beams would then be pushed into the resultant holes and they would be locked together so that they would constitute a strong obstacle to any approaching vehicles. Work by the armed forces has recently been observed on such barrier systems in the Burghausen area along the Salzach River in Upper Bavaria. Armed forces circles termed completely nonsensical rumors circulating among the population to the effect that this involves the preparation of shafts for atomic mines which, in case of war, would be set off without any consideration for the civilian population. But it was also hinted that bridges in the Bavarian-Austrian border region have been prepared for demolition in case of war. The Austrian Defense Ministry did not prove to be "in any way surprised" by the erection of tank barriers. This is considered to be a "quite natural thing" whenever countries want to secure their borders. Austria also has barriers "along all borders." [Text] [Frankfurt/Main FRANKFURTER RUNDSCHAU in German 17 Nov 84 p 4] 5058

BRIEFS

CP LEADER ON DEFENSE COMMISSION--Communist Party Chairman Arvo Aalto criticizes government's plans to establish new parliamentary defense committee. Instead, according to Aalto, there is a need for a committee which will finally clarify how the Army's expenditures can be reduced without compromising national security and to what degree the Finnish Army can, on the whole, maintain security in today's world. Aalto stated on Sunday in Tampere that the defense committees have been "effective channels for increasing money for guns by the generals even though every reasonable person knows that Finland cannot build its security on a dependency on weapons". Aalto noted that the defense committees differ essentially from other committees in that their proposals have been accepted and carried out almost in their entirety. [Text] [Helsinki HELSINGIN SANOMAT in Finnish 19 Nov 84 p 9] 10576

COMMENTS ON RECENT CHANGES IN MILITARY LEADERSHIP

Procedural Questions, Biographic Data

Athens I KATHIMERINI in Greek 19 Dec 84 pp 1, 3

/Article by Nikos Gerakaris/

/Excerpts/ Various question marks have cropped up among armed forces officers and also public opinion over the recent happenings in the armed forces. These question marks have for the most part remained unanswered by the competent minister despite the "shower" of questions put to him by military editors at their regular session.

The first question concerns the early retirement of Lt Gen Vas. Kourkafas, chief of the GES /Army General Staff/, just 9-1/2 months from the day he was assigned to that position by the government. The fact that the lieutenant general, according to the government communique, left by request reinforces the question over a resignation at the very time when Adm Th. Degiannis, for 3 years chief of the GEETHA /National Defense General Staff/, left without submitting either a resignation or a request.....

There are many conjectures over Kourkafas' "retirement" but it is not possible to accept any one of them if they are not accompanied by real facts. Of course, the established cliché that the resignation came about to facilitate the cleaning up of the backlog of annual promotions does not hold up.

Proof of this is yesterday's daily order of the GES chief, chief up to the day before yesterday, to the armed forces military and civilian personnel that was telegraphic in nature. Only a few lines long, it does not say a word about the government, compared to the order put out by Admiral Degiannis, GEETHA chief, that is a page and a half long and praises the "government's efforts."

In his order, Mr Kourkafas does not say a word about Prime Minister and Minister of National Defense A. Papandreou whom he had highly praised during the latter's first visit to the First Army in Larisa when Mr Kourkafas headed that unit.

The text of daily order put out by Mr Kourkafas, who handed over his duties to the new GES chief, Lt Gen Epameinondas Pentheroudakis, reads as follows:

"I hereby hand over today the duties of chief of the Army General Staff to your most worthy new leader, Lt Gen Epameinondas Pentheroudakis.

"I call on you to continue, under his leadership, both faithfully and with devotion, your most serious task in maintaining the high state of readiness and the further increase in the battle efficiency of our army.

"After a long and difficult career, I proudly withdraw from the ranks of the army, taking with me only pleasant memories that both the love and devotion of my subordinates generously bestowed on me."

Alternate Minister of National Defense Drosogiannis did not provide any answer to questions put to him. He merely said, "Ask them themselves."

New GES Chief

The new GES chief was born in Rethymnon, Crete, in 1926. He finished his high school studies in Rethymnon and subsequently studied at the Cadets School. He was appointed second lieutenant in 1949 and assigned to the artillery. He is married and is the father of two children. He has also studied abroad and is a graduate of the War College and the National Defense College. He holds degrees in law, economics and political science. During his career, he has served in all positions commensurate with his rank. Over the past years he has served as defense attache at the Greek Embassy in Sofia, commander of the 11th Division and first deputy chief of the GES. He successively commanded the Second and Fourth Army Corps.

The new GEA /Air Force General Staff/ chief, Lt Gen Dimitrios Apostolakis, arrived yesterday noon from Naples, Italy, where he had gone on a mission. As he said himself, he was notified of his promotion there. He will assume his duties today at 1 o'clock at ceremonies to be held at the Pilots School.

Mr Apostolakis was born in Irakleion in 1934. He entered the Pilots School in 1953 and graduated head of his class in 1957. He served for many years in military aircraft squadrons, 3 years as a teacher at the Pilots School and 2 years at NATO headquarters. He was jailed and dismissed in 1973 for being involved in the Navy Movement but he returned at the end of 1974. He served as GEA operations commander, as chief of staff and finally as commander of the ATAD /expansion unknown/ prior to serving as commander of the Air Force Materiel Directorate. He has studied at the Air Force College and the Institute of Defense Studies in London. He is married and has two sons, both students.

Promotions Announced

Athens I KATHIMERINI in Greek 21 Dec 84 p 1

/Text/ The "slashing" in the military continued yesterday afternoon with a large number of retirements of brigadier generals. It is estimated that more than 20 brigadier generals are being retired. Their names will be announced today.

At the morning session of the SAGE /General Staff Officers Council/, promotions for the navy and air force were announced:

Navy: Anast. Triandafyllidis, Leon. Vasilikopoulos, And. Theokharis and Dim. Lismanis were promoted to rear admirals.

Air Force: Brigadier Generals Nik. Papadopoulos, Il. Psomas, G. Kakaris and Georg. Mavrakis were promoted to major general. Also promoted to major general and discharged in a month because of the promotion of their juniors are the following: Brigadier Generals Alex. Zarafonitis, Leon. Salonitis, St. Theodosoulakis and Georg. Kaklis.

Finally, promoted to lieutenant general and being discharged as having successfully terminated their careers are Major Generals Vas. Tsaousis and Khar. Angelopoulos.

5671

CSO: 3521/116

PURCHASE OF THE CENTURY: AIR SUPERIORITY ACHIEVED

Athens AKROPOLIS TIS KYRIAKIS in Greek 21 Oct 84 p 27

/Excerpts/ The purchase of the century will bring about serious power realignments in the air and will make the Greek Air Force the most powerful in the Mediterranean, possibly with the exception of Israel. We also have France which, however, is also a European power, as well as an Atlantic power with only one leg in the Mediterranean and only one part of its air force devoted to the Mediterranean area.

But for how long will Greek air superiority last? Until Turkey and other countries imitate Greece and rush to buy planes in the same quantities similar to those Greece will get with the purchase of the century. Then the antagonism will be raised to a higher level.

But we must remember that the construction of a strong war plane is difficult and takes a long time--2 to 3 years from order to delivery complete with all weaponry. Already Greece is ahead. Turkey also wants to order 140 F-16s but apparently they cannot complete the procedures before we do. By necessity the construction of the planes for the Turkish Air Force will be late.

We can say that for the next 2 or 3 years the balance of power between Greece and Turkey will remain where it is now. At the end of that period the Greek Air Force will start getting the planes. Then the balance will quickly tilt in favor of Greece.

This situation will continue for the next 2-3 years: Greece will continue to receive planes but Turkey will not. After that this will change when the factories begin to deliver the new planes to Turkey as well.

Beyond that, one cannot make predictions. The balance will depend on new orders. But in any event, the race with Turkey will be intensified.

Let us analyze the present situation of the Turkish and Greek air forces. We are using end-of-1983 data. At this point the 1984 yearbooks of the major world-respected agencies on armaments such as the London-based Institute on Strategic Studies, have not come out, but little has changed in the strength of the two air forces since the end of 1983.

Thus, according to these data:

-The Greek Air Force has 279 war planes--half older types and half modern planes. The older types include: 41 F-104s, 45 F-84s, 40 F-5s, and a few much older ones. Total 126. The modern include 59 F-4 Phantoms, 36 F-1 Mirages, and 58 A-7Hs. Total 153. Therefore, the equipment of the Greek Air Force is modern by 55 percent. If we take into account the excellent training of the personnel we can see the high level of our air strength.

-The Turkish Air Force has 340 planes, of which the old types include 74 F-5s, 40 F-100s, and 80 F-104s. Total 194. The modern types include only 90 F-4 Phantoms. They also have small groups of much older planes. Therefore, the Turkish Air Force today has more planes, 340 compared to 287, but the Greek Air Force has overwhelming superiority in modern planes: 153 to 90.

Now, as regards Israel, that country has the best-trained personnel with the best equipment in the world. It has 550 war planes, almost all of them modern, F-16s, F-15s, F-4s and Kfir's. It is by far the strongest air force in the area of the Mediterranean and Middle Africa.

Conclusion: As things stand today, the Greek Air Force is superior to that of Turkey--with the exception of Israel. With the purchase of the century, in all probability Greece will become second in the Mediterranean region. Beyond that all will depend on the new wave of an arms race in the air, especially with Turkey.

7520

CSO: 3521/73

USEFULNESS OF 'DEFENDORY INTERNATIONAL' ARMS FAIR ANALYZED

Athens AKROPOLIS TIS KYRIAKIS in Greek 21 Oct 84 p 10

/Excerpt/ With unprecedented international success the "DEFENDORY INTERNATIONAL 84" is being held at the Piraeus Port Authority buildings. This biggest fair of defense industry in the world is bigger this year in terms of participation of exhibitors than the traditional world fairs of FARBORO in Britain and KA in West Germany.

The DEFENDORY INTERNATIONAL is organized every 2 years in our country by the Industrial Fairs Institutes with the cooperation of the Ministry of Defense Service of War Industry. The organizers were able to bring together in this year's fair in the most representative manner every conventional weapon produced for defense on land, air and sea in almost every part of the world. Thus, 510 of the most important defense enterprises from 25 countries (the Americas, Europe and Asia) participate in the fair. They attracted many foreign visitors from over 70 countries and the inflow of many billions in foreign exchange.

The National Expediency

The basic objective of the fair is the national expediency because it contributes decisively:

- To the development of the country's industrial strength.
- To help in the solution of our social problems by securing employment for persons with high-level expertise.
- To transferring high-defense technology to the country.
- To cut down the outflow of foreign exchange by meeting defense needs with domestically produced weapons.
- To increase the inflow of foreign exchange from the sale (export) of Greek-made weapons abroad.
- To assure a degree of self sufficiency with regard to the country's defense.

-To help as much as possible in the development and strengthening of the defense industry (private and public) whose production will assure first of all the sufficient supply of the Greek armed forces.

-To help provide broad information to Greek officers on the achievements of the world defense industry so we will not need to send them abroad.

Yes or No to the War Industry

The Greek war industry today is at that point in time when the key decision must be made. Either Greece will acquire a domestic war industry, self-sufficient in the production of war materiel, weapons' systems, spare parts and ammunition, contributing significantly to our national economy and the balance of payments, or we will continue to spend billions of drachmas in foreign exchange to buy from abroad the necessary weapons, while weakening our national economy and with no hope to do what other countries have done--to acquire, that is, a war industry. Italy, for example, acquired within 10 years one of the major war and space parts industries in the world.

What Can Greece Do Today?

Speaking openly, Greece can acquire a domestic war industry if the goals are set in keeping with the rapid development of our defense industries as shown by this official table:

	(In Million Drachmas)				
	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>
Gross income of Greek war industry	11.0	12.0	23.0	29.0	36.5
Exports	0.5	2.3	4.4	7.25	11.0
Total benefit in foreign exchange	11.5	14.3	27.4	36.25	47.5
Additional benefit in foreign exchange by reversing the ratio	--	--	12.4	17.26	24.5

It must be noted that the successful industries today are close to a ratio of 50 percent.

7520

CS0: 3521/73

POLITIZATION OF WAR COLLEGE ADMISSIONS FEARED

Athens 1 KATHIMERINI in Greek 16 Nov 84 p 1

/Text/ The officers' entrance examinations to the War College are abolished by presidential decree which raises justified questions, first among which is whether all officers can be admitted to the College without examinations. This is absolutely wrong since all officers do not possess the qualifications to become members of the General Staff.

In the case of candidate selection (as the presidential decree provides) what guarantees exist that such selection will be irreproachable since it is stated that henceforth all officer students (captains, majors, lieutenant colonels and in some cases colonels) will be selected for admission to the College by the Supreme Military Council? More specifically, the major points of the decree are:

1. The Supreme Military Council will select only officers of the land forces. The selection in other branches of the Armed Forces and Security Forces will be made by the appropriate organs of the branches.

2. The qualifications for the army officers are: a) substantive, that is, graduation from the Military Academy or an equivalent institution of higher learning. Also, legal provisions on seniority and promotions for promoting through selection; b) formal qualifications, that is, the age limit to 40, the completion of at least 11 years of service as an officer and successful graduation from their corresponding branch schools.

7520

CSO: 3521/73

UNIFIED AGENCY OF MILITARY INDUSTRY TO BE ESTABLISHED

Athens TA NEA in Greek 9 Oct 84 p 3

[Excerpts] By order of the premier, Mr. Andreas Papandreou, a unified agency of military industry will be established soon and, according to exclusive information of NEA, will undertake to "clearly define" the jurisdictions between the already competing military industries of PYRKAL [Munitions] and EVO [Greek Arms Industry].

The same agency will undertake, according to the same sources, to coordinate the "purchase policy" of the two military industries, both domestic and foreign, in order to end the episodes of competition between EVO and PYRKAL.

As explained by a responsible government source, EVO on the one hand will be involved exclusively in the production and marketing of weapons systems and PYRKAL will be engaged in the manufacture and marketing of munitions as well as in non-military work.

The minister of National Economy and Finance, Mr. Gerasimos Arsenis, spoke yesterday about an already prepared program for stabilizing PYRKAL to representatives of the approximately 4,000 workers of the company who had put a 3-hour work stoppage into action.

PYRKAL's problems will be "solved on a wide and not limited range," Mr. Arsenis explained.

The workers, as emphasized in the declaration, are determined to seek solutions by militant means to the demands in view of the fact, as was emphasized, that all attempts for a dialog with the responsible officials have been exhausted.

In any event, it is noted that two of the principal demands of the workers of PYRKAL are the creation of a unified agency of the military industry and the definition of jurisdiction between PYRKAL and EVO.

9731

CSO: 3521/24

BRIEFS

'ORMI 2' MILITARY MANEUVERS--The national maneuvers "Ormi 2" are in progress in the area between the islands of Limnos, Agios Evstratios, Skyros and Lesvos. The frigate "Limnos," the destroyers "Kriezis" and "Kanaris," three missile patrol boats, two vehicle-landing ships, one tank-landing ship and a number of submarines are taking part in it. The "Ormi 2" maneuvers that began Sunday and will end Thursday (11 October) are a "technical exercise" and include joint operations between the vessels participating as well as combat aircraft. [Excerpts] [Athens TA NEA in Greek 9 Oct 84 p 22] 9731

F-18 NEGOTIATIONS--A marathon "bargaining" session for the F-18 combat aircraft took place yesterday at the Ministry of National Economy (in absolute secrecy) with the participation of the minister of National Economy and "proxy" negotiator for the "purchase of the century," Mr Ger. Arsenis. At the meeting that lasted more than 2 hours, the economic counsel of the premier, Mr Giannis Papanikolaou, also participated. At Mr Arsenis' invitation, the vice president of McDonald Corporation, Mr Little, as well as representatives of the companies "Mac Air" (responsible for the manufacturing and marketing of the combat aircraft to third countries), the vice president of General Electric (the company that manufactures the F-18 engines) and the vice president of Northrop, which manufactures military equipment in cooperation with McDonald, participated. According to exclusive information of VIMA, the main objective of the Greek side during the negotiations with the Americans was the increase in offset benefits by the manufacturing company. [Text] [Athens TO VIMA in Greek 5 Oct 84 p 3] 9731

MILITARY MANEUVERS' CANCELLATION--ND Deputies P. Panourgias, Io. Stathopoulos, A. Papadongonos, S. Gikas and Th. Alexiou charged in a question submitted to the national defense minister that the maneuvers for an operational evaluation of various armed forces' units were cancelled in an unorthodox manner and after the suggestions, moreover, of the two communist newspapers, RIZOSPASTIS and RIZOS TIS DEYTERAS. More specifically, the ND deputies revealed that a) the recent exercise of Squadron 194 was interrupted and that of Squadron 195 was cancelled following an article in RIZOSPASTIS; and b) the Zevs exercise was cancelled after an article in RIZOS TIS DEYTERAS. The deputies wanted to know the real reasons for the cancellations and if the great sensitivity toward the reports of the aforementioned newspapers is justified while the readiness of the armed forces was negatively affected. /Text/ [Athens I VRADYNI in Greek 19 Oct 84 p 5] 7520

ARMY GENERAL'S SPEECH TERMED 'INSOLENT WARNING'

Lisbon DIARIO DE LISBOA in Portuguese 7 Dec 84 pp 1, 20

[Excerpts] In March 1925, on the occasion of a visit to the Army Academy, the president of the republic, Manuel Teixeira Gomes, after having listened to a speech by Gen Gomes da Costa, reacted and responded to him...briefly, but with a force and dignity that evoked amazement.

Different times, different manners. At that time, it was intolerable for a man of the stature of Manuel Teixeira Gomes, a civilian and an advocate of civilian government, to allow a general, whatever his position or function, to dare, in the presence of the legitimate representatives of the national sovereignty, to make comments of the kind voiced at Alfeite, at the ceremony marking 25 November, by the honorable Gen Lemos Ferreira, in an office which, for any sensible man, was limited to the high position of CEMGFA [Armed Forces Chief of Staff].

Moreover, the honorable Gen Lemos Ferreira, we admit without realizing the significance of what he was saying, commented: "With patience, with a sense of service and with some stoicism, we shall continue to perform the tasks which are assigned to us as best we know how, always striving and insisting that the approximately 6 percent appropriated to us in public spending be used in a national, appropriate and productive manner and, if possible, for the education of those joining the ranks."

Portuguese democracy could not allow (and the honorable president of the republic and prime minister could not let) the general who was CEMGFA make statements outside the realm of his specific technical authority at an official, public, commemorative ceremony, regarding the criteria which govern the General State Budget; and in the unfortunate, arrogant, demagogic terms in which he did so.

It should be noted that the transcribed passage from the honorable CEMGFA general's speech begins with an unfortunate (and preposterous) reference to the "patience" (sic) of the military. What kind of "impatience" does the honorable general think would be acceptable or praiseworthy among the military? Is this a blurting of his feelings at an unsuitable time and place, or an insolent warning to the democratic government?

And what about the "some stoicism"? How should we interpret this example of the honorable Gen Lemos Ferreira's philosophical breeding?

Does service to the nation require "some stoicism" of the military in performing it, in performing it with discipline?

It might be fitting to ask those who put up with the military profession with "patience" and "some stoicism" whether they shouldn't resign from the career and positions which consume their "patience" and demand "some stoicism" of them.

Silence only serves to heighten suspicions or to allow the continuation of decisions and actions without rendering accounts to the tax-paying citizens and to those who are their voice in the Assembly of the Republic or who, along with the public, discharge a function of criticism and free information.

2909

CSO: 3542/71

TANK COPRODUCTION PRECONTRACT WITH FRANCE

Madrid EL PAIS in Spanish 3 Dec 84 p 20

/Text/ Madrid--France has proposed to Spain the joint production of a new tank for the next decade, which could be the world's most modern tank when it goes into service, according to Pierre Guidoni, the French ambassador in Madrid. The Spanish Santa Barbara Company already several weeks ago signed a preliminary contract with the French firm Giat, which makes AMX tanks. When the project is completed, Spain will purchase 500 tanks, and France the same number, but both countries believe that they will be able to export more than 1,500 units.

The project was proposed by France, within the program initiated by Spain to build a new tank in our country which will be called "Lince" /Lynx/ and which in France will be called EPC /Main Combat Machine/. The Krauss Maffei firm of the Federal Republic of Germany and three other European and US companies are simultaneously competing in the same program; although the competition is for all practical purposes almost exclusively between Giat and Krauss Maffei.

As the French ambassador in Madrid has stated, the disadvantages of the German offer are that Krauss Maffei is proposing to Spain to use the technology of the "Leopard" tank, which, according to the French ambassador is already obsolete, because it was developed at the beginning of the 1970's. France is proposing to develop a completely new tank, although in this case a very large investment would be required. Furthermore, the French representatives understand that in case a German-Spanish project is carried out, there would be important restrictions on our country when it came time to export the product, due to the strict German laws on this subject; while a French-Spanish tank would have fewer problems, says Guidoni, who named Iran as one of the few countries which France has placed under embargo when it comes to exporting weapons.

120 Billion Investment

Initially, Spain anticipates investing some 120 billion pesetas in this project, and the decision on what technology to use in the manufacture of the "Lince" will be made by the government in spring or summer of next year.

At present, the most modern tanks which the Spanish armed forces possess are the AMX-30, manufactured by the National Santa Barbara Company under French license. Top Spanish military leaders have complained on numerous occasions about the quality of this tank, which those military men consider to be very poor.

Currently France is, after the United States, the number two supplier of advanced weapons to the Spanish armed forces, which use--among other systems of French origin--Mirage F-3 and F-1 aircraft, Daphne and Agosta submarines, Milan antitank rockets, Roland missiles--shortly to be delivered--Puma helicopters, Mystere aircraft and the above-mentioned AMX-30 tanks.

Besides the future tank, Spanish-French cooperation is anticipated in the construction of new submarines and in the acquisition of Super Puma helicopters and antitank missiles.

However, Guidoni believes that Spain, within the context of the current commercial battle which Europe and the United States are waging in the field of weapons, must join in the new European projects as a new member with full rights.

The French ambassador also admitted that the balance of trade in weapons between Spain and France is very unfavorable to Spain, and he noted that at this time the French armed forces are seriously studying the possibility of acquiring C-212 Aviocar aircraft manufactured in Spain.

8131

CSO: 3548/56

STRUGGLE OVER MILITARY BUDGET CONTINUES

Conservative Paper on 'Tight Funds'

Stockholm SVENSKA DAGBLADET in Swedish 27 Nov 84 p 2

[Editorial: "The Supreme Commander of the Swedish Armed Forces Will Be Short of Money"]

[Text] The defense forces are losing money they expected to have in various ways. The fact that the supreme commander of the armed forces sent a stern letter on this problem to the minister of defense is nothing to be surprised about--aside from the fact that Lennart Ljung ordinarily does not take these things particularly to heart. What is out of the ordinary is the fact that the letter was written in regard to a coming budget with which the Swedish people are not yet familiar.

What is at stake for the supreme commander is the planning he assumed he would be able to do under the quadrilateral agreement of last spring regarding compensation for the continual cutting back of the defense appropriation that was being carried out. Once again, he has lost money. He has only received compensation for unexpected losses resulting from a poorly-constructed price index. The fact that inflation has been twice as large as the government expected has naturally also affected the defense ministry, which now is stuck with a "suit that is too big." However, where that point is concerned, all the signatories of the spring agreement were aware of what they were doing.

A new, big source of irritation for the defense leadership is the fact that the government wants to grant amounts of money a bit at a time instead of letting the supreme commander have specific quantities at his disposal. This method of proceeding is supposed to increase the government's control over defense orders. Apparently it wants to have a certain amount of freedom of movement before the passage of the 1987 defense act. How serious a change that makes in the defense ministry's complicated planning process can be difficult for an outsider to comprehend, but it would have made sense for the government to try making a change in the system of planning together with the other parties. Changes like the present one should not come as surprises!

The supreme commander was confronted with new expenses in the budget proposal. Thus, for example, a number of members of the armed forces are to be trained, and their rate of pay will be increased accordingly. Evidently they want to regard those expenditures in the defense department as odds and ends that it should be possible to cover within the budget calling for many billions of crowns. However, the government knows very well what small quantities of extra money the supreme commander has at his disposal when the so-called fixed expenditures have been taken care of. It should have been entirely possible for the government to warn the defense leadership in the spring if they were thinking of cutting down on further expenditures--some of which were of a social nature--within the defense framework!

A number of setbacks, each of which, perhaps, is manageable when taken alone, will, when taken together, create a hopelessly difficult situation for the defense ministry in its planning. In the course of time, it will have a debilitating effect. Unfortunately, such things undermine people's confidence in the Palme government's statements regarding the importance of having armed forces that are capable of defending Sweden.

Inflation Index Ceiling

Stockholm DAGENS NYHETER in Swedish 28 Nov 84 p 8

[Article by Sven Svensson: "One Hundred Million Kronor Extra for Defense"]

[Text] The defense ministry will get about 100 million kronor in extra compensation because of a technical flaw in the new defense index on which various party leaders agreed in the spring of 1984. The government discussed that compensation at a general preparatory meeting that was held on Tuesday evening. The party leaders' agreement, which gave the defense ministry a few billion kronor extra, in all, covers three budget years--1984/85, 1985/86 and 1986/87.

When the party leaders arrived at their agreement, they thought that the new index would provide complete compensation even for exchange rates and price developments abroad that were applicable to imported defense equipment.

The supreme commander of the Swedish armed forces showed that 130 million kronor were lost for 1984/85 as a result of the fact that the index is not correct. On Monday, Finance Minister Kjell-Olof Feldt and Defense Minister Anders Thunborg tried to come to an agreement and the entire government continued the discussion on Tuesday evening.

Where the government is concerned, the object is to carry out the party leaders' agreement, but the discussion is concerned with the exact interpretation of the index. The party leaders are to be oriented on the size of the defense ministry's compensation.

The compensation is also to apply to the two remaining budget years, and its size in those years will depend upon how the exchange rate and price changes affect the defense ministry's economy.

For 1984, the government introduced a so-called index ceiling of 4 percent. The government agencies themselves will have to pay any compensation above that ceiling.

It now appears that inflation will be somewhere around 7 or 8 percent for 1984. The supreme commander of the armed forces has calculated the loss due to the inflation ceiling at 250 million kronor. The government will not compensate the defense ministry for that loss. There is no index ceiling for 1985 at present.

Defense Minister Defends Budget Plan

Stockholm DAGENS NYHETER in Swedish 7 Dec 84 p 8

[Article by Sven Svensson: "On Money for Defense, Thunborg says, 'The Party Leaders' Agreement Will Be Carried Out'"]

[Text] "The party leaders' agreement on defense will be carried out down to the last detail."

That is what Defense Minister Anders Thunborg said, according to Supreme Commander of the Swedish Armed Forces Lennart Ljung's warning letter. The defense minister is willing to reveal the contents of the principal section of next year's defense budget if the leaders of the nonsocialist parties think it is necessary.

The Conservative Party's security policy expert, Carl Bildt, says that the government's budget proposal implies a readiness for a reduced defense program.

"It is both ominous and alarming, and particularly when seen from the international point of view," he says.

Representatives of the two other nonsocialist parties concur in the demand for revelation of the contents of the government's proposal.

"It is true that the defense ministry will not get compensation for the part of inflation during 1984 that exceeds 4 percent," Anders Thunborg says. "But the nonsocialist parties did not register opposition to it on a previous occasion when the agreement was dealt with in the Riksdag. The defense ministry's loss will amount to 250 million kronor and there will not be a new index ceiling for 1985."

"Unfortunate"

"It was unfortunate that the supreme commander's personal letter came out," Anders Thunborg says. "The supreme commander himself cannot have intended for that to happen."

"Everything that was included in the party leaders' agreement in the spring will be found in next year's budget," Anders Thunborg asserts very energetically.

The agreement included increased protection against submarines, the ordering of coastal corvettes and so-called extension of the lifetime of three Draken squadrons.

"The main part of the discussion is concerned with the so-called authorization of ordering for the defense program. The discussion regarding these questions is made more difficult by the fact that people do not know what authorization means," Thunborg thinks. "It has nothing to do with payments made during the budget year, but is concerned, instead, with the extent to which one dares to take out a mortgage on the future by placing orders.

"There is a danger that there will be overplanning after 1987, when the present defense agreement will run out," Thunborg went on to say.

"The working defense committee will not have anything to decide on if we allow authorizations for future purchases of defense equipment to take place in just any way at all.

"Many projects have become considerably more expensive than was originally planned," Anders Thunborg says. In particular, he mentions the guided missile 70, the repairing of tanks, the Strix project--mortar ammunition that is controlled in the final phase--and the Bill antitank missile.

A New Program Plan

No new authorizations for coming orders are to be made before fall. By 1 October 1985, the supreme commander is to present a new variable program plan in which he will be asked to assign priorities to the expensive new projects. The Riksdag will then have the task of making a decision, in the form of a supplementary bill, in regard to the orders that are to be placed.

"I am not concerned about the party leaders' agreement," Anders Thunborg says. "I am willing to reveal the contents of the budget if the opposition wants me to do so.

"We had to be able to give the military personnel a pay increase of two kronor a day and increase the discharge allowance by 500 kronor without affecting the defense agreement," Thunborg says. Those are small matters in an annual budget of 23 billion kronor, he thinks.

Reduction of Expenditures

"The measures which the government gave warning of in the budget can only be interpreted as being intended for the purpose of creating freedom of action for the reduction of expenditures," Carl Bildt says in regard to the supreme commander's personal letter. The government wants to have a reduction of the defense program after the 1985 election or, indeed, after 1987, since the defense agreement will run out then, as a possibility.

"We can only regard that as alarming and ominous," Carl Bildt says.
"Never before has it happened that the Riksdag could not come to a decision on the entire defense budget as a unit. The question is whether this is in conformity with the Riksdag act," Carl Bildt says.

"What is intended now is that the government will come up with half of a defense budget in January and the other half in October 1985."

Obligation

"The government has a political obligation to present its reasons for such an exceptional change," Carl Bildt thinks.

"Judging by the letter, the government is imposing new tasks on the supreme commander--such as providing better benefits for military personnel and training 900 draftees who formerly would have gotten deferments, etc.,--although he will not receive any additional money.

"It follows from that that what we thought the supreme commander ought to do he is not in a position to do, since the new tasks have priority," says Thorbjorn Falldin, the leader of the Center Party.

"I would assume that if the government wants to make changes in the defense agreement, they also ought to enter into discussions with us, so that we would be able to learn their reasons for doing so and listen to their arguments," he says.

"The fact that the defense ministry will not get any compensation for the high rate of inflation during 1984 is a serious matter," says Kerstin Ekman (Liberal Party). "That is owing to the fact that the government has been unsuccessful with its economic policy. It is also apparent from the supreme commander's letter that the government has plans to impose stricter control on defense appropriations," she says.

9266
CSO: 3650/80

LARGEST EVER COMBINED ARMS EXERCISE TO BE HELD IN WINTER

Stockholm SVENSKA DAGBLADET in Swedish 23 Nov 84 p 6

[Article from TIDNINGARNAS TELEGRAMBYRA: "22,000 Military To Participate in Western Winter Maneuvers"]

[Text] Orebro. Vastgrans [western border] in Varmland-Dalarna this winter will be the largest joint maneuvers ever conducted by the Swedish armed forces. All the army units and air force wings in the country will participate in the giant maneuvers.

"We have learned from previous large maneuvers and expect that Vastgrans will be meaningful for all participants," said the commander of the exercise, Major General Bengt Tamfeldt.

Participating on the military side will be 21,800 military personnel, 5,600 vehicles, 100 aircraft and 12 helicopters. Furthermore, defense units from the county governments in central Sweden and other civilian units will participate with a total of 400 men.

More than 30,000 landowners will be affected by the maneuvers. They will be carried out mainly in Varmland north of a line Kristinehamn-Karlstad-Arvika, and in the final phase also in southwest Dalarna, with a southwest line of Vansbro-Malung-Limedsforsen.

The cost of the maneuvers is very great. But practically all the participating units would have had their own maneuvers anyway, which are now being replaced by Vastgrans. Therefore the total additional cost will be at least 12 million. Eight million for transport, and four million for the "enemy" infantry regiments from Gavle and Uddevalla.

Planning for the exercises has been going on for a couple of years. It is going to cause some inconvenience, especially because the maneuvers will come during sports week, and in the middle of the holidays when vacation cabins are being exchanged in the Salen area.

The maneuver area for Vastgrans ends in a straight line two [Swedish] miles from the Norwegian border. That line must not be crossed by armed troops.

On the Norwegian side there is a corresponding line, a "demilitarized zone" which remains from the dissolution of the Union in 1905. Special guards will see that the zone is not crossed.

The official name for Vastgrans is Defense Forces Exercise 1985, and it will take place 18 February-5 March. The major attack will take place 20-25 February. The last week it will be just the artillery battalions and mortar companies which will continue firing in Alvdalen.

"Every man will recognize the significance of his participation, even though there may be a lot of 'dead time.' That is inevitable in a real war situation, and it is also inevitable in large exercises in peacetime. Unfortunately everyone cannot exercise simultaneously."

9287

CSO: 3650/78

COASTAL ARTILLERY'S BOAT BUILDER CRITICIZED ON QUALITY

Stockholm DAGENS NYHETER in Swedish 20 Nov 84 p 10

[Article by Gert Tryman: "Union Criticism of Coast Artillery Shipyard--The Boats Are Not Seaworthy"]

[Text] "Coastal defense is much worse than the politicians believe. There are simply not enough operational boats." This was claimed by Goran Hernlund who works at the coast artillery's shipyard in Vaxholm.

Goran Hernlund is also division chairman in the Swedish State Employees Union [SF]. In the newspaper STATSANSTALLD he has launched a sharp attack against the reduction of civilian personnel within defense.

According to Goran Hernlund, personnel at Stockholm's coast artillery repair yard at Vaxholm are forced to turn out incomplete work.

Gets Paid

"We are sending out boats on exercises which are not seaworthy. In civilian life the National Administration of Shipping and Navigation would never permit such unsafe boats to be used," said Goran Hernlund to DAGENS NYHETER.

The coast artillery yard is income financed. That means that it gets no appropriations, but it gets paid for the work performed. The yard does the repair work on 80 percent of all the coast artillery boats, but they also have civilian customers.

"It is difficult to explain how it is to turn out work which is not good, but we are forced to cheat. Recently we launched several troop transport craft which proved to be unusable," said Goran Hernlund.

"Several of them were so rusted through that they could not be kept afloat, and the engines and electrical systems did not function. Everyone works as well as they can, but it also means that many are stressed to the breaking point."

Today the yard at Vaxholm has 43 employees on the shop floor, but according to the plans of the Defense Materiel Administration 13 more will be laid off.

At the same time as this is happening, the yard is being forced to contract out work and furthermore to hire people. The latter especially disturbs Goran Hernlund.

"The navy is using gray manpower at the same time as they are cutting down on their own permanent personnel," he said. "One could accept that if it only happened with occasional work peaks, but we have had outsiders here who have come in year after year."

Goran Hernlund also said that the personnel who are hired in are more costly, as they get higher wages and in many cases also daily allowances.

According to the newspaper STATSANSTALLD the yard has lost large outside customers such as the coast guard and the maritime administration because their prices have now become so high.

Goran Hernlund believes that the numerous layoffs are undermining the readiness and fighting ability of the defense forces.

"The current mobilization plans would not work for us. As it looks now it would take about ten times as long to mobilize as the plans call for.

"I understand that we must save money, but as it is going now it is just the opposite."

DAGENS NYHETER has tried to get a comment from the commander of Stockholm's Coast Artillery Defenses, but without success.

Unknown

At the Naval Staff and the Defense Department they said they had not received any criticism of this type.

"I have heard that the people out in Vaxholm are doing a good job. I have difficulty believing that things are as the union describes them," said Anders Timdahl at the Naval Staff.

Department Counsel Ingvar Erling at the Defense Department said that neither he nor the defense minister could comment on a circumstance that they knew nothing about.

9287

CSO: 3650/78

COASTAL ARTILLERY BOATS RUSTING PREMATURELY

Stockholm SVENSKA DAGBLADET in Swedish 21 Nov 84 p 8

[Article by Lars Porne: "Coast Artillery--Old Boats Are Rusting Apart"]

[Text] Many of the boats in the coast artillery's wartime organization are lying ashore and rusting apart, which should not happen if there were money and personnel to maintain them.

As it is now, the money is being spent on other things, primarily readiness against foreign submarines, and it does not appear that the coast artillery repair yard at Vaxholm will get any additional personnel.

"The problem for us is the personnel structure," explained the superintendent of the yard, Hans Kumlein, to SVENSKA DAGBLADET.

"We have tried to raise the issue in higher places, even up to the Chief of Naval Operations. Our personnel are too few, and all the authorities here agree with that," he said.

By authorities he means the Stockholm's Coast Artillery Defense on Vaxholm.

Seaworthy

The question of the strained conditions at the yard was spotlighted after articles in the newspaper STATSANSTALLD and in the daily press. A union representative has said that the yard launches boats which are not seaworthy.

"We have never released a boat that is not seaworthy, but it is true that in personnel terms the yard is very stressed," explained Hans Kumlien.

Foreman Karl-Gunnar Karlsson said that two of the coast artillery's 200-boats (landing craft for a platoon) are waiting to have their bottom plates X-rayed.

When seven mobilization 200-boats were put in the water to exchange them for other boats going ashore, a couple of them leaked so badly that they had to be lifted out again. Otherwise they would have sunk.

The boats were built in the 1950's of steel plate. The thickness of the plate in the bottoms is only 3-4 mm and while they have been laid up in the open air the plate has rusted through. To prevent that dehumidification units were used in the boats, but the rust was forming on the outside, so the plate was unprotected.

Old Engines

The yard also has another concern. The coast artillery boats are so old that it is very difficult to procure spare parts for the engines.

The coast artillery 200-boats are equipped with engines from Scania and Volvo which have long been obsolete.

Engine manufacturers keep spare parts for 10 years after a model has been sold, and thereafter it becomes difficult, said engineer Kumlien.

At the Naval Staff they are aware of the problems which the personnel situation is causing at the yard on Vaxholm, but they appear to believe that they should do the best they can.

"The government has directed the Defense Ministry to reduce its personnel. The supreme commander has given the chief of naval operations a personnel structure, and he in his turn has given the coast artillery in Vaxholm a structure. The authorities have thus distributed the personnel, and for the Vaxholm yard it is 43 people," said Colonel Ingvar Johansson of the Naval Staff.

"It is of course deplorable that boats which are in the mobilization plan are lying ashore and rusting apart, but boats which are to be replaced will of course have less money spent on them," he explained.

Fulfill Security Requirements

The press officer of the Naval Staff said, "We are aware that personnel reductions in combination with expanded mission, (antisubmarine warfare) cause a reduction in maintenance of material.

"However we have not heard of any reduction in national security. We have no ships which are not fulfilling their security requirements," he said.

Lieutenant Commander Timdahl also explained that if the boats which are rusting apart are to be replaced, something else must be sacrificed.

"Of course the rusting boats can be used to take spare parts from."

He also said that we are required to conduct a hard line, and that means that the individual may feel that he is being hard hit.

Timdahl explained that no further personnel cuts are planned for Vaxholm.

NAVY TO GET FOUR COASTAL CORVETTES IN NEW DEFENSE BUDGET

Stockholm DAGENS NYHETER in Swedish 12 Dec 84 p 8

[Article by Sven Svensson: "Defense Budget--Four Coastal Corvettes to Be Built in Karlskrona"]

[Text] Four coastal corvettes will be ordered from Karlskrona Shipyard in the fall of 1985. That is in the defense budget which will be presented to the Riksdag at the beginning of January.

On Tuesday Defense Minister Anders Thunborg briefed the nonsocialist party leaders on the budget, then OF [Supreme Commander] Lennart Ljung came in with a letter of protest.

The party leaders considered that the defense agreement which was reached last spring was not in danger. The military reinforcements in air and anti-submarine warfare which were in the agreement are also in the new budget.

On the other hand the party leaders would not express themselves about other parts of the defense budget which will be presented in January. Then they will have a free hand to criticize the government when they have seen the final wording and the proposals.

Even as to the defense agreement, there is still disunity on one point. That is over compensation for inflation during 1984.

Compensation

The government has agreed to give 130 million kronor in extra compensation because foreign defense material has become so much more expensive than estimated, but it will not agree to give full compensation for inflation in Sweden. There is a four percent ceiling on that, and there the defense loses 250 million kronor in a lump sum.

After the deliberations Conservative leader Ulf Adelsohn told DAGENS NYHETER, "We disagreed on that from the beginning, and we still disagree."

The defense agreement primarily included extending the life of three Draken divisions. A previous draft of an order for four coastal corvettes was vaguely written into the party leaders' agreement.

Antisubmarine

There is strengthening in the government's January budget. Especially important is the order for the four coastal corvettes. The corvettes will be an important part of the antisubmarine forces which are being built up.

The Riksdag will make the decision on the coastal corvettes next spring, and in the fall the Defense Ministry expects to give the orders to Karlskrona shipyard.

The coastal corvettes have been much in dispute militarily. Now that the order will be made for all four corvettes at one time, an important position has been taken. In all it is a matter of a billion.

Planning

The criticism in the OB's personal letter concerned primarily the forms of future military planning.

According to the government's budget, it will be divided into two different sections.

Long range planning means that there will be a division between so-called authorization and spending. Authorization requires no immediate spending, but the bills will gradually be coming. Authorization must therefore be held within a strict framework, otherwise economic planning for defense will fail.

In the budget being presented in January, 1.9 billion kronor is proposed for authorization, while 1.5 billion is placed at the disposition of the government. This brings the total authorizations to 3.4 billion at "half time."

Supplementary Budget

A supplementary budget will be presented in the fall of 1985 to the Riksdag, since the OB presented his rolling program plan. This budget will also contain 3.4 billion kronor in authorization, so the total size of the authorization will be 6.8 billion kronor.

The reason why the government will make this division is primarily that certain projects are rapidly getting more expensive, and the OB must take a position on them.

The more expensive projects are Robot 70, Straix, which is a so-called final phase guided mortar ammunition, and the antitank rocket Bill. These projects were included in the party leader agreement.

9287

CSO: 3650/78

MOST ECONOMISTS AGREE, SEE STRONG, DURABLE GROWTH CONTINUING

Helsinki HELSINGIN SANOMAT in Finnish 20 Nov 84 p 21

[Article by Antti Blafield and Juhani Pekkala: "Consensus Will Be Surrendered in 1986"]

[Text] Finnish economists, our country's macromen, are pretty much of the same opinion with respect to the development of Finland's economy until the end of this decade: the upswing will come to a halt around the summer of 1985 and the recession will bottom out in the summer of 1986.

"The consensus policy will be given up by joint agreement in 1986," says Pertti Sorsa, the nation's official economic forecaster and chief of the economic section of the Finance Ministry.

HELSINGIN SANOMAT requested five economic experts to evaluate economic development until 1989.

Inasmuch as one can believe Managing Director Timo Relander of the Industrial Association, Chief Pertti Sorsa, Managing Director Pentti Vartia of the Industry and Commerce Research Institute, and President Kyosti Pulliainen of Joensuu University, the end of this decade will, however, be a rather peaceful time: at its worst, national income will increase at an annual rate of 1 percent.

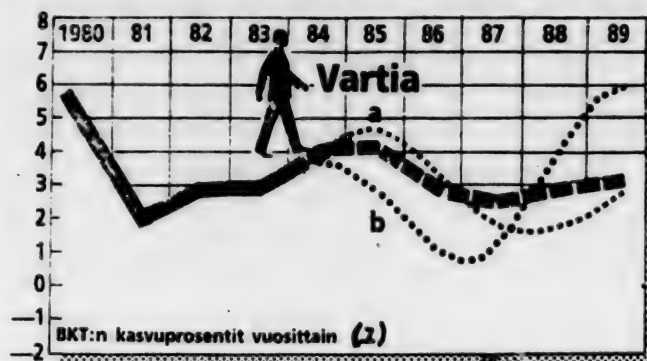
Deputy Chairman Heikki Oksanen of the Workers' Economic Research Institute is the exception: his economic curve falls well below the minus level: The interest rate will remain high and unemployment records will be broken. "Finland is once again headed for a pretty much self-made recession," predicts Oksanen.

Pentti Vartia: Competitiveness Becoming Continually Worse

[Question] 1) Draw a GNP development curve until the end of this decade and verbally justify it.

[Answer] The growth rate will continue to fluctuate so that it will be difficult to predict economic trends far into the future. For example, it is difficult to answer the question whether growth will be more rapid in 1989 than in 1988.

Average growth over a longer interval can, however, be evaluated to a somewhat greater degree of reliability, and I predict that it will be approximately 3 percent for this decade. This estimate does not, however, mean that market fluctuations would disappear from Finland's national economy. As a reminder of this I have noted two possible economic developments with a broken line and labelled them a and b in the attached chart.



Key: (1) Annual growth percentages for GNP

Even though the growth rate of production will slow down from time to time, there is reason to point out that the level of production will not fall off until the production figures decrease. Even with a slow growth rate the level of production will increase substantially in a 10-year period. The forecast I have given means that the level of production will be approximately 30 percent higher in 1989 than it was in 1980.

[Question] 2) Which country will be the "Nordic Japan" in 1989?

[Answer] In recent years economic growth in Finland has been somewhat faster than in the other Nordic countries and some could even call us the "Nordic Japan" if the growth rate of production is used as a measurement. Measured by production level per capita and by many other criteria, the standard of living in Finland is, however, clearly lower than in Norway, Sweden, and Denmark. We will not be able to eliminate this difference by the end of the decade. I also do not believe that a comparison of growth differences with Sweden, for example, will produce as many flattering results from Finland's point of view as in the current decade.

[Question] 3) What could ruin everything? List five reasons:

[Answer] A worsening of international relations could reflect on the world's economic relations.

Economic development in our export countries could turn out to be weaker than expected.

The price competitiveness of our national economy is presently becoming weaker in relationship to other countries since prices and expenditures are increasing faster here than elsewhere. The rather good profitability of Finnish

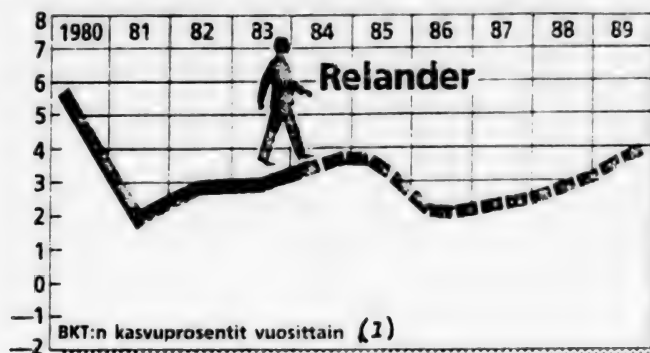
firms at the present time is a result of the fact that the wheels of industry are turning faster in proportion with the international economic upswing. As the growth of exports decelerates next year, our weak competitiveness will become more apparent. An inflation rate greater than that of other countries is a threat whose consequences we previously experienced during the long recession in the 1970s.

Now it is expected that growth in the near future will be based primarily on investments. From the point of view of economic policy an attempt has been made to balance out market fluctuations by an exceptionally high interest level. Inasmuch as investments are still delayed for a long time by means of high interest rates, the problem could be that investment activity will not pick up in the expected manner at the onset of a recession.

Good development is not only predicated on unanimity, but also on an unbiased reform. If too large a segment of citizens does not feel the economic effort being made for the future is sensible, the hold on the rise in the standard of living could slip.

Timo Relander: Self-Satisfaction Could Ruin Everything

[Question] 1) Draw a development curve for the GNP until the end of this decade and verbally justify it.



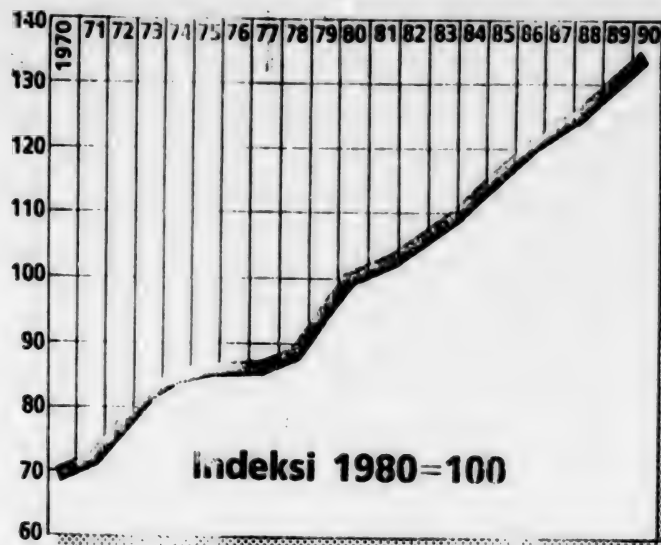
Key: (1) Annual growth percentages for GNP

[Answer] An economic prediction over a medium range is impossible so that what we have in question is a guess. There are several factors of uncertainty: Can a deep recession in the world economy be avoided? How tight is the economic policy of Europe's industrialized countries? Will Finland be able to stop the weakening of its price competitiveness? Will we know how to measure and time Finland's economic policy correctly in accordance with market policies and developments?

The metal industry, investments, and individual consumption will maintain growth in 1985. A recession will reach its bottom in 1986 and 1987.

It can be assumed that an upswing will begin at the end of 1987. This, however, presupposes that inflation will be kept restrained to a point less than

the average in competing countries, investments will increase to correspond with the renewal needs of industry, and the structural problems of the public sector will not become worse.



[Question] 2) Which country will be the "Nordic Japan" in 1989?

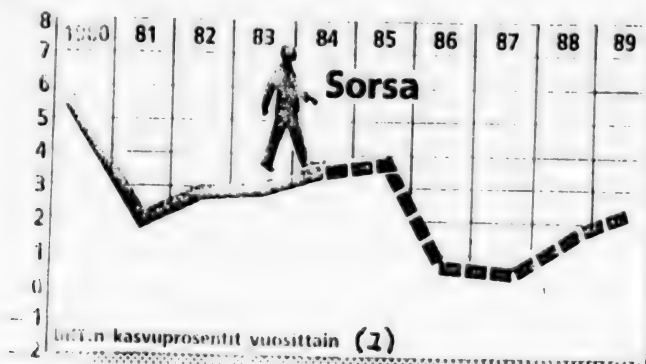
[Answer] We have not yet lost all of our chances.

[Question] 3) What could ruin everything?

[Answer] There could be many reasons: An unfounded self-satisfaction. A change of attitude for the worse from the point of view of industry. Problems connected with the protection of the competitive position are underestimated and the prevention of inflation fails. The labor force and training policy adapt to changes too slowly. The conditions for the renewal of industry are unnecessarily hindered. The funding structure of industry remains weak.

Pertti Sorsa: Denmark to Become Japan of the North

[Question] 1) Draw a GNP development curve until the end of this decade and verbally justify it.



Key: (1) Annual growth percentages for GNP

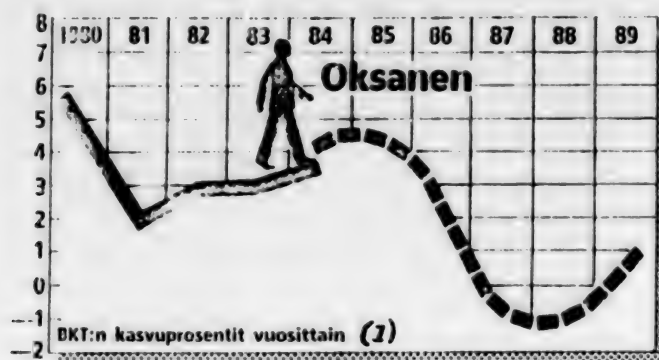
[Answer] The development picture is conditional and in addition to traditional market rhythms it is also based on the fact that consensus policy will be given up by joint agreement in 1986.

[Question] 2) Which country will be the "Nordic Japan" in 1989?

[Answer] "Japan" is an appellation that is too demanding to fit any Nordic country in 1989. The most rapid growth in the Nordic area at the end of this decade will most likely occur in Denmark.

Heikki Oksanen: We Are Once Again Entering A Self-Made Recession

[Question] 1) Draw a GNP development curve until the end of this decade and verbally justify it.



Key: (1) Annual growth percentages for GNP

[Answer] After a continuing relatively good development in 1985 Finland will take a dive. Development will be according to my graph or even worse with almost 50-percent certainty.

The interest rate on market money now being used as the primary tool of economic policy will be around 20 percent or even higher in the years 1986-87. The reason for the high interest rate at that time will be the need to protect currency reserves. When funding markets are designed for a high market interest, even the general interest level will be quite high.

Exports will fare reasonably well and the balance of payments will be in good shape. Once again Finland will find itself in a pretty much self-made recession. Investments will decrease, individual consumption will not increase, and even public demand will not advance. The unemployment level will break the 1978 record.

Production will increase at the very end of the decade, but this will be based primarily on the use of unused capacity.

[Question] 2) Which country will be the "Nordic Japan" in 1989.

[Answer] The "Japan" of Northern Europe will be the Kuola [Kol'skiy] Peninsula in 1989.

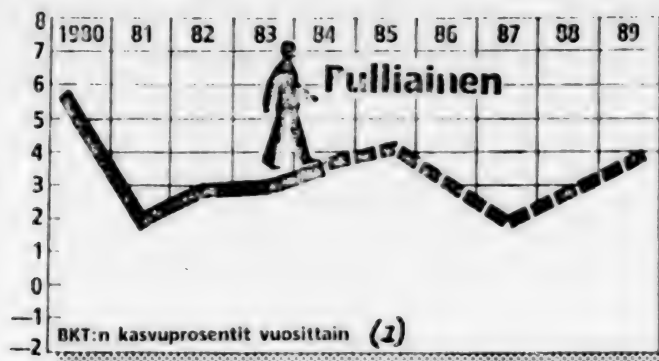
[Question] 3) What could change development?

[Answer] Development in Finland could be better than what has been presented if the most important parties of economic policy understand the risks ahead and if the various parties can be assured that others will not come in between.

Reason and moderation are sufficient if only mutual trust is sufficient. When questions concerning the distribution of income are in reasonable order, it will become possible to concentrate on finding solutions in various quarters, from which all parties will benefit.

Kyosti Pulliainen: Japan Is Not Suitable As An Example

[Question] 1) Draw a GNP development curve until the end of this decade and verbally justify it.



Key: (1) Annual growth percentages for GNP

[Answer] GNP growth will be slower at the end of the decade than at its beginning. The reason lies mostly in exports. We will not gain a significant foothold in the fastest growing so-called new and high technology markets within this decade and it does not appear that trade with the East will increase substantially. Economic forecasting is primarily a gamble or a guess, the timing and strength of the markets depend on the economic policy practiced at home and abroad and in the future on noneconomic factors also more than before.

[Question] 2) Which country will be the "Nordic Japan" in 1989?

[Answer] Hopefully, no Nordic country. Such rapid growth as in Japan -- when the myth of Japan as an example of economic management was born -- will not be achieved in any Nordic country. Japan's economy in other respects, for example, its vast dependence on foreign resources, environmental problems and the attitude toward them, the total emphasis on material values, the neglect of humans, and so on, is in no way a suitable example for the Nordic democracies, which examined on a world scale and compared with Japan, for example, are like "dwarfs".

[Question] 3) What could ruin everything?

[Answer] The prediction represented by my graph could be ruined by an especially aggressive and successful or poorly managed economic policy; each in its own way. International crises can also make forecasters look ridiculous; this is only detrimental to those who make predictions with a frown and in all seriousness.

Bjorn Wahlroos: Prediction Based on Dead Theory

"Finland is an open economy whose development cannot be predicted by means of models affecting Finland's economy alone. Our own economy produces approximately 65 percent of the gross national product. It would be much more relevant to predict outside factors, above all, export demand in the East and in the West," says Professor Bjorn Wahlroos of Svenska Handelhogskolan.

Wahlroos teaches that there are three kinds of time sequences. Inflation and unemployment are examples of so-called autocorrelated sequences, in which the previous sequence normally produces the next one. The next sequence is calculated according to certain conditions either by adding to or subtracting from the previous sequence.

The counterpart to these sequences is comprised of market price sequences, for example, currency exchange rates, interest rates, and stock exchange rates. These are even theoretically impossible to predict. In these the daily price is the best forecaster since their future is determined by men who have their money tied up in them as investments or who can sway the markets by large transactions.

Such sequences as the gross national product and industrial production are situated between the two extremes.

"An extensive debate has been held on prediction models in the United States. It has been confirmed that by their structure they are based on irrational assumptions, for example, no supply effects are attributed to taxes. No consideration is given to the fact that taxes affect the enthusiasm for work, savings... The supply effect of cost factors is not comprehended at all in it."

In Wahlroos' opinion a stronger Keynesian tradition has become established in economic forecasting that in any other branch of economic science.

"This is a result of the fact that prediction models are compiled by individuals who were educated according to the Keynesian tradition in the 1950s and 1960s. The theory is, however, now completely dead and intellectually empty. In the United States model forecasting is no longer fashionable."

According to Wahlroos, economic predictions are also of the type that no research institute will make them public as such. When some development trend has been calculated, consideration is then given to whether it is possible or reasonable and the prediction is revised.

"But the average of several predictions, a kind of consensus prediction is quite good, since it is close to rational expectations," admits Wahlroos.

In Finland the tradition of following and observing the economy is young. No real interest was expressed in it until the 1970s. In the 1950s and 1960s the economy grew at a stable and even rate, there was no particular interest in following its development.

Perhaps it is for this reason that one must wait for economic data for an unreasonably long time in Finland. "The statisticians should be able to come up with something better than the Industrial Association's economic barometer, which is the quickest supplier of data.

"Elsewhere the gross national product is a quarterly concept, here it appears once a year. Even the U.S. economy has grown 10.1, 7.5 and 3.2 percent this year. It would be senseless to take an average out of this. Even enterprises operate on a quarterly basis."

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CSO: 3617/35

LABOR STATISTICS SHOW HIGH RATE OF CHILD LABOR

Athens ETHNOS in Greek 4 Oct 84 p 3

[Excerpts] More than 36,000 children between the ages of 10 and 14 daily labor for wages.

Of these, 40 work in mines of the country, bringing to mind images from Charles Dickens' novels.

These impressive numbers are official and were announced yesterday.

They come from the tables of the general census of 1981 regarding the economic characteristics of the Greek population.

The tables indicate that 1 percent (that is, 36,125 persons) of the economically active population of the country are young children, 10-14 years of age, who contribute to the economy.

However, by comparing this with corresponding data of the 1971 census, optimistic conclusions can be reached.

This, because, in 1971 the children in that age group (whom the law forbids working) and who belong to the working class represented 2 percent of the total, that is, 65,112. Of these, 200 worked in mines.

According to the data of the 1981 census, 12,417 children of the above-mentioned age group work in agriculture, while in 1971 there were 35,396 children employed.

Industry and handicrafts follow, employing 10,744 pint-sized workers as compared to 16,264 in 1971.

There are 3,508 children (down from 4,336) employed in construction and 2,472 (down from 4,872) in hotels and restaurants and the remainder in other areas.

The actual population of the country in 1981 reached 9,740,000. The special secretary of the Ministry of National Economy responsible for statistical matters, Evang. Katambokidis explained that this shows a rate of increase of 1 percent, one of the lowest in the world.

Out of this number, 3,543,797 persons work, that is, they constitute the economically active population.

The skilled workers constitute 31.6 percent of the economically active population (as opposed to 30 percent in 1971); the farmers, 27.5 percent (down from 40.6 percent); the office clerks, 9.5 percent (up from 7.5 percent); the professionals and independent professionals, 9.4 percent (up from 5.7 percent); the merchants and salesmen, 8.5 percent (up from 7.2 percent); those working in services, 7.8 percent (up from 7.4 percent); the directors, 1.7 percent (up from 0.6 percent).

Employers and Wage Earners

Three percent of the Greeks contributing to the economy are employers.

It involves a declining occupation because in 1971 it involved more than 4 percent of the country's working population.

As a whole, employers in 1981 numbered 101,150.

Steady numbers at 34.5 percent are shown by the self-employed, who number 1,160,043 individuals.

The wage earners, on the contrary, increased from 42.3 percent to 51 percent and number 1,680,707 individuals.

A significant increase was shown during the decade 1971-81 in the educational field.

Those who did not complete an elementary education decreased from 900,000 to 580,000, while those who completed grammar school rose from 1,500,000 to 1,950,000.

The secondary education graduates rose to 635,000 from 350,000 and those with degrees of higher education rose to 265,000 from 150,000.

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CS0: 3521/24

LUBBERS DEFENDS ECONOMIC POLICY, VIEWS COALITION

Amsterdam ELSEVIERS WEEKBLAD in Dutch 10 Nov 84 pp 15-18

[Interview with Ruud Lubbers, prime minister of the Netherlands, by Nico Van Grieken; Wednesday 7 November 1984 at the office of the prime minister]

[Text] ABD Rudolphus Franciscus Maria Lubbers, 45, leader of the CDA/VVD [Christian Democratic Appeal / People's Party for Freedom and Democracy] cabinet, which still has another year and a half to go. Ruud Lubbers, the prime minister of the Kingdom of the Netherlands, as Piet Bukman, the big man of the party, usually likes to introduce him in the little halls of the provincial countryside, filled with listeners.

He has been called Sunday's Child in the politics of the fatherland. In his 34th year he was minister of economic affairs in the Den Uyl cabinet, and prior to that was for eight years the director of Lubbers' Construction Company and the Hollandia Machine Works.

The best boy in the class, says a coalition colleague: "When I was still reading 'Kuifje in Tibet' he was already poring over heavy philosophical works of great masters. He almost always knows everything better and is quick to become testy when someone else is right." As minister in the Den Uyl cabinet, he had the reputation of leaving the Catshuis [prime minister's residence] on more than one occasion before it was time to leave.

He is a driven man, people say appreciatively. Always under pressure, always busy. If everyone at the table is still working on the appetizers, he is just bolting down the last bite of his dessert so as to get quickly back to work. He is that kind of man.

It is early Wednesday morning. A fine autumn prospect over the Hofvijver [an ornamental pond], the Hague at its best. The prime minister looks a bit weary but waves off an observation to that effect with an offhand remark that this weariness will disappear of itself during the course of the day. His office is known as Het Torentje [The Little Tower].

Exactly one year ago he was literally punched and slapped by people in the crowd at the socio-economic deliberations between union workers and employers,

who thus made it clear that they did not like his retrenchment policy. Things are calmer now, and he is being spared that sort of physical attention. Now it is verbal violence that has the upper hand. And there his many years of experience in rough hockey matches sometimes indeed fall a bit short.

"It makes me want to puke," he shouted several weeks ago, extremely irritated during the weekly press conference in Nieuwspoort. No prime minister had ever expressed himself in such terms before.

Lubbers: "I was very much put out with that business of the ministerial salaries. It was a question of how much was true. I read false statements in all kinds of articles. I also read that the prime minister was speaking half-truths about these matters. I am not always perfect, either, but I could no longer put up with people's inability to see what I was trying to say. Then I used that expression. That one time things got a little too heavy for me. Yes, that is a better expression, a little too heavy."

Black

"It has everything to do with the fact that I am an incurable optimist. I am an optimist about our economy, about our society, about our future. And at a given moment, you suddenly begin to notice it: People, people, people, what black sentiments we are all expressing! Then there is a clash between this pessimism and my optimism; I am someone who sees things positively and in general on the bright side. I always recognize possible ways of solving problems. I then go counter to people such as Den Uyl, who is at his best when prophesying in his gray overcoat that everything is going so poorly and wretchedly, that nothing is going right, that unemployment is flourishing again, and that the minimal wage is declining once more." Then he bursts out savagely: "None of which is true!"

The policy of the Lubbers cabinet. The crisis over the double-dippers ("Then things will have to come to a head"). Cut-backs, efforts to get the economy back on the right track, to win the confidence of industry and to think ahead to 1986. The continuity of the government policy is in question. What happens after the elections, now a year and a half away? In reply to this question, Lubbers ponders aloud about the possibilities of a new coalition, the disastrous effect of a wave of wage increases and the delicate economic situation of the nation. How vulnerable is the recovery?

But first, Lubbers' view concerning the problem of the lack of jobs for young people. A slight nuance from the apologetic words of Minister Ruding. The reason for the apology: his indiscriminate lashing out at the uncooperative people among the unemployed and the remarks of FNV [Netherlands Trade Union Federation] administrator-in-chief Frans Drabbe, who last week looked closely into the dossiers of the group of 50,000 young people who have been without work for a long time. It was discovered that there are boys, and more particularly girls, who are not unhappy with their welfare allotment, says Drabbe.

Juicy

[Question] Doesn't the FNV now use such findings to support Ruding's statement?

[Answer] Lubbers replies, after a lengthy silence and a deep sigh: The reality is multi-faceted. Mr Ruding has subdivided the joblessness into three categories. You could, of course, subdivide it much further still. There are countless cases that are all quite specific. Let me give this one as an example: I hear from my colleague De Koning that the placement of school dropouts in job situations is moving along this year at a really impressive pace. That indicates a certain recovery of employment opportunities; it also indicates the interest that young people do take in getting work. At the same time, there are still a large number of dropouts from recent years who remain without work and are having difficulty getting involved in the recovery.

[Question] Drabbe says that the group of 50,000 young people are reasonably content with a RWW [Federal Group Plan for Unemployed Workers] dole. Ruding got the full brunt of criticism when he pointed this out.

[Answer] There was a difference between the VRIJJE VOLK interview and the explanation in the Lower House. Everyone must admit that Ruding's explanation in the House was most enlightening. There, his account did not make any generalizations. Politicians more often have this kind of difficulty: in interviews it is always a selection of what is more pithy and juicy that appears, for a journalist cannot make anything palatable out of a dry recounting.

As prime minister, I look at things in a different light. Sometimes it is said: "The medium is the message." The way in which a fact is presented and comes across determines the message, much more in fact than the contents themselves, than what is literally written down. It is thus not only a question of what precisely a person has said, but also of what "vibrations" are given off. So the real message is often determined by the tone, the form and sometimes even the timing. I have been in politics now for about twelve years. But now, more than ever before, I take into account the functioning of the government: for in analyzing a problem you must know what reaction you can expect from the government. If you realize that in reality the situation is really different for different groups, then that becomes important in the selection of the proper instruments. You must make that distinction.

[Question] Thus if Ruding lashes out against young people who are unemployed?

[Answer] Then you must make a distinction between his indignation and the policy as we know it in the form of a starter plan and jobs that maintain the welfare payments of the worker. That has not yet been clearly stated in the Lower House. And finally there is yet another element that I want to throw light upon: Which interviews cause the greatest sensation? Answer: When someone talks about affairs outside his own professional domain. If Minister De Koning gives a pithy interview about the finance deficit, that might be very interesting, but he will soon make some assertion that Ruding will perhaps find less tenable on close inspection than what he himself has to say on that subject.

I see that once again now on the question of the maximum speeds, too. People in government have their say about this, although they do not impose on themselves the restrictions that are an inherent part of the responsibility for the segment of policy in question. Sometimes the checks and balances are thus lacking. These then become sensational interviews, the most fascinating kind of interview, journalistically speaking. For a moment now I'm describing the other side.

[Question] Disturbing for the policy?

[Answer] Democracy is not something for timid people. It is an active conglomerate with positive aspects. I should hate to think how it would be if everything ran smoothly. I think that the minister of finance says in retrospect--and I with him: "Could I not have done it better in a different way?" Generalizations have been made to which I do not exactly wish to subscribe. I do not, and neither does he.

A Pity

[Question] You must have been alarmed upon reading his statements. There went the social image of the Lubbers cabinet.

[Answer] My first reaction was a purely personal one. "Onno [Ruding], that is a pity," I thought. "With this you are inviting a lot of trouble. Too bad for you! You are a hard-working minister, but here you are charting an imprudent course." But this also implies the added concerns about the cabinet's image. For there have been a few previous incidents that can essentially be characterized as incidents. The reality is that after years of regression, the minimal standard of living, the actual one, is not going down this year, for a change. The reality is that the ministers in this country really do not make too much money. It is also known that there is nothing secret about this.

[Question] What more lay behind Ruding's remarks? Required acceptance of job-offers by those who have been jobless for a long time? At the time of the infamous Plan of Van der Louw, it was already discussed at the CRM [Ministry of Culture, Recreation and Social Work], then in session.

[Answer] No, that is not a cabinet policy. The cabinet policy requires that we try to bring people who have been without a job for a long time into the job market. Our starter plan is an example of this.

[Question] It was in that very framework that Drabbe penned his marginal notes. That plan does not reach those 50,000 jobless young people, he claims. They are satisfied with their welfare allotment.

[Answer] I shall not deny that among that group of unemployed youth, a number do show the characteristic that Drabbe ascribes to them. But here, too, one cannot generalize. There will certainly be boys and girls who say: "It's your problem!" There will be a relatively large number of these young people who have absolutely no interest in returning to the classroom. But Jan De

Koning's assessment of the situation, and mine as well, is that there will be certain young people among them who are going to want to do simple work in small industries. And if something like this goes well, then the employer will perhaps get a kick out of it, too. Then an interest in a certain line of business develops.

Just suppose that one out of three long jobless young people meets with this kind of success. Must you then place the other two under the requirement to accept job-offers? Have them dig ditches or some such thing? My thoughts run in the very opposite direction: Let us first mobilize that one-third, since the spreading effect associated with long-term unemployment gives me even greater concern. It cannot be a good thing for people who are sound of life and limb to be unable to work over long periods of time.

Half a Billion

[Question] Job opportunity has everything to do with economic development. What influence do policy changes such as those mentioned in the General Review have on economic development?

[Answer] You mean the improved regulations for the minimum wage over a period of years, the relinquishment of the freeze on child-allowances, the more gradual introduction of the welfare payments, lowered from 80 to 70 percent and the rent-increase that comes out one point lower. Politically, these changes are important, of course, but economically their influence is quite limited. It will mean a half billion guilders. A half billion in purchasing power for those in the most straitened circumstances, but along with it a half billion more in consumer spending. Well now, that margin did allow a little leeway in our cost planning, and the result need not be an augmentation of the premiums for social benefits. We did come close to the limit, however. Yet I do admit that the changes have an important social significance as well as making a positive contribution to the economy.

[Question] A marginal stimulus, as it were?

[Answer] Marginal. In addition, the economy is improving. Better results in industry and more export potential. This Fall will be interesting in relationship to the question of the hiring of more workers by industry, and to that of industrial investment. I think that both things will happen. In spite of the opposition, this country is once again becoming more optimistic. Yet there is one point to consider, and that is a delicate one. In the CAO [Collective Labor Agreement] negotiations, too, there is a sense that things are going just a bit better. This is not so remarkable, for things really are going better. The ice is thin, however. I fervently hope that the CAO negotiators will be extremely cautious about labor costs.

[Question] Do you expect that?

[Answer] It has something of a summons about it. We have our backs to the wall. I would prefer to keep labor cost increases low.

[Question] The economic development differs from industry to industry and from sector to sector. No generalizations can be made here, either.

[Answer] It is not easy to see the whole picture. And to tell the truth, I do not find it all that disastrous if here and there a professional is being paid a little more. But if that were to become generalized, watch out! Let us be cautious. Once such a thing gets started, it is difficult to stop it. You must also take into account the fact that there is a possibility for an appreciable economic growth. And by that I mean a growth that exceeds the two-percent mark.

[Question] Are you thinking of three percent?

[Answer] Between two and three percent. In fact, we are already higher than the two-percent estimate. I am inclined to say that that is now a modest estimate.

[Question] With such a statement, you absolutely run the risk of extra increases in wage costs. Perhaps even a wave of wage increases. Higher growth is better, economically speaking; it means more money for consultants, and everyone wants to profit from it.

[Answer] Such a wave of wage increases must not happen. That would be absolutely insane. We must simply go through with the execution of the original agreement. We must have the kind of growth whereby more people can get jobs. The main guidelines for the recovery of profits and the shortening of work hours must be pursued. The growth must take place over a larger segment of the population, however. No longer must there be half a generation or even an entire generation of school dropouts without work. More opportunities must be made available for the unemployed.

[Question] What would a higher increase in wage costs mean for the collective sector? Problems for the finance deficit, for example; or has this trickling-down effect been weakened through the application of indexing mechanisms?

[Answer] Indeed. If the labor costs next year go too much higher, that will not mean an increase in collective tax burdens, but then the standard of living will relatively decline in terms of purchasing power. Let me put it very bluntly: if that happens, it implies a heavy asocial component. Also the labor costs do not need to increase at all, what with the alleviation of the tax burden in 1985--whether because there are wage claims or because the employers are being too flexible--but then we are heading toward price increases. These affect everyone but hurt mostly the people who are in the most straitened circumstances. Those are the people at the bottom of the standard of living ratings.

With such a development, moreover, we lose our improved competitive position in the shortest possible time. Thus with the excessively high labor costs, the socially minimal group of people are the victims. After some delay, it will also mean the sacrifice of job opportunities. Finally, a paradox: the one who profits the most from those excessively high labor costs is on the short term the minister of finance. Even more money comes into the treasury

because taxes are levied on the increases in earnings. The ministry of finance then finds itself in great shape.

Deliberation

[Question] If you stick to the original agreement drawn up by the unions and employers at the end of 1982, why did you then enter into the central deliberation, which turned out to be unsuccessful, incidentally?

[Answer] Oh, that is quite simple. We did not sit around that table for the purpose of concluding a central agreement. The cabinet had convened the deliberation in order to talk about unemployment among young people. But the unions--I am putting this as gently as I can--wished to express their criticism about our proposals for the social benefit measures. And the employers wanted to feel us out on the question of tax alleviation.

[Question] You are forgetting the sick-leave benefits. You played that one shrewdly. Employers and employees are now free to work them out for themselves. Den Uyl had not yet got this far at the beginning of 1982.

[Answer] I would not go so far as to say that we did it more shrewdly. But indeed, that is true, the problem now lies with the social partners, and that is where it rightly belongs. We also learned something from the debates with Den Uyl. Great use was made of this experience in the proposals made by De Koning and De Graaf.

[Question] Your cabinet policy leaves us with a number of great uncertainties. What course will inflation take in 1986? Will the interest rate continue to decrease? And when will investments begin to improve? It is obvious that industry still has insufficient confidence in this policy.

[Answer] The inflation estimate is indeed vulnerable. But I set against that the fact that the dollar exchange has already run high for the entire year. Very high, indeed. Up to now, this has not resulted in any price increase. And I do not expect that the dollar will go any higher, rather the contrary. Vulnerability also results from the increases in labor costs.

[Question] What about the interest rate? You wrestle with a rising national debt, with rising interest burdens and redemption obligations. That makes the money market all the tighter inasmuch as you must secure your financing needs while industry is also improving to a certain extent.

[Answer] It is difficult to say anything definitive about the refinancing of the national debt. We are indeed becoming more vulnerable. But that you must see in relationship to other countries. When the impression arises that the guilder is in a bad way, then there will be difficulties. Now, however, the very opposite is the case. I have just come back from Kuwait, where the investors prize our hard currency. The interest in cold figures is not high, I admit, but it is secure and solid. Thus there is an ample money market. And there is a strong surplus in our running account for the balance of payments, and thus, too, a savings account balance in our country. All of that keeps the interest rate down.

[Question] So for the present, the Netherlands need not raise its bank rate, for example, in order to remain attractive to foreign investors?

[Answer] Not at all. I see rather a decrease in the bank rate.

Confidence

[Question] Former Shell executive Wagner pointed out this year once again the lack of confidence manifested by the industrialists, whose fear was that soon there would be another gang in power, and the course of the country would zig-zag once again.

[Answer] Confidence, and I do agree with Wagner on this point, is an extremely important factor in investments. Therefore, I am fully determined to carry on with the main guidelines of these cabinet policies. Not because things could not be better, but because there must be clarity and because one must know what he is dealing with. The guidelines must be clear. Economies are like mammoth tankers. The investments are modest at this time. But when I see the current increases, I say: If we persist in our endeavors for five years, then we shall achieve another type of economy, with satisfactory job opportunities plus the preservation and recovery of purchasing power.

If we combine that economic growth of two to three percent with a certain redistribution of labor, then we are on the right course. A few years ago, many people felt that it was impossible for us to provide enough job opportunities to accommodate the increase in the professional population. That we are able to do now. I shall go one step further: I think that we are now beginning to have the potential to force back unemployment. But then industry must cooperate by employing young people, and then we must promise one another sincerely to carry through on this for five years.

[Question] If you think that the cabinet policy must be continued, then you also believe that it will have to carry on beyond this CDA-VVD cabinet, after 1986.

[Answer] That does not follow. I have the feeling that in a subsequent cabinet period, such matters as deregulation, questions concerning a government based on law and the bureaucracy will be more greatly emphasized. With the continuation of the same coalition, you may not necessarily see the same policy followed. On the other hand, I believe that for the proper functioning of democracy, it is entirely unwise to state that by definition only that particular coalition can do anything, and that others are powerless in this respect. Politicians like to claim that. I do not. I find it nonsense. It is quite possible that another prime minister and other ministers will achieve still better results.

[Question] You seem somewhat reserved about your own coalition.

[Answer] The goal of the cabinet policy is not to keep one's own seat secure, but to govern the country well.

[Question] Thus you leave open the possibility that in 1986 a CDA/VVD coalition may be in power rather than a CDA/PvdA [Labor Party] coalition.

[Answer] All that we hear points to the fact that another coalition may be in place after the 1986 elections. It will probably be a PvdA/VVD rather than a PvdA/CDA coalition. Everyone finds that strange, I believe. People say that that is nonsense; no truth to it at all. However, I perceive, in both PvdA and VVD people--and I have made good friends in both parties--a good deal of antagonism based on the fact that the problem, in their opinion, always revolves around the CDA. If someone like Den Uyl goes so far as to reproach the small rightist parties in the House (the GVP [Reformed Political Union], the RPF [Reformed Political Federation] and the SGP [Political Reformed Party] editor's note) for having an anti-democratic attitude, then in essence he is also saying something about the CDA.

The VVD and the PvdA, in our view, stand farthest apart on such issues as social democracy and social-economic problems. But as prime minister, I see the whole portfolio and the reactions, the emotions and the politically important psychological moments. I say then: Politics does not always begin with the CDA. The situation is really different.

Scripture

[Question] The next government coalition will not include the CDA.

[Answer] In itself that is quite possible. I seek no reason to shirk the responsibility and the ambition to govern, but I do take into account the fact that the time is coming when the CDA will no longer be the party in power. The CDA takes inspiration from Scripture. If Den Uyl says that he has such difficulty conducting discussions with those people of the small rightist parties, then that implies that he has the same difficulties in discussions with us. In addition we have a kind of mind-set with respect to justice, stewardship, in short, all those matters that characterize a different way of thinking.

In a very general way, I still wish to point out the fact that I find it bad for politics to speculate about the composition of any future coalition. The hallmark of our system is precisely that a cabinet is given the leeway to govern for four years, supported in this endeavor by the governing parties, which are bound to observe its general guidelines for that period of time. After that, however, full scope must once again be given [to the new government]. That is a better plan for democracy. I think that it is nearly on the level of a constitutional idea.

[Question] A constitutional idea.

[Answer] Yes. By that I mean this: A cabinet ought in principle to have its chance for four years. That is binding, and it bestows a certain continuity. On the other hand, after four years, new programs have adjusted to the new situation, and the voters make a new selection. So people then have the duty to choose once again for a good government program, to be implemented by a homogeneous team of good people. Therefore I do not like philosophizing about coalitions and about whether ministers remain longer than four years. I just do my work.

[Question] The retrenchment policy of your cabinet is also in place for 1986, the election year. But the economy is improving, and you predict more economic growth; in short, the policy for 1986 must be giving you concern.

[Answer] I am indeed quite busy with the budget for 1986. It is becoming very difficult to find new areas for retrenchment after the current ones. It is a problem. I absolutely do not yet know how a more favorable economic development will turn out. The climate for retrenchment is not getting any better. On the other hand, a higher growth is of itself holding down the finance deficit.

[Question] After all, the retrenchments that have been carried through up to now have been rather negligible; according to your official budget, only five billion out of a gross amount of 17 billion. Not yet even a third of the overall retrenchment effort.

[Answer] That is one more reason to keep to these gross retrenchments; otherwise, things will turn out still worse. It also means that we must pay more attention to overspending. It makes no sense to retrench and then see overspending in other areas.

[Question] That means more battles with Ruting, De Vries, Nijpels and everyone, then. Now I have the feeling that you do not dodge battles. At least you made remarks like these at the FNV congress, where nearly the entire audience left while you were still talking.

[Answer] I also said on that occasion that we must find each other on common ground. That is true. Sometimes there is an excessively prevalent impression that courage is needed only for confrontations. I maintain the opposite, that it takes more courage to try to come to an agreement.

[Question] The double-dipper bill of Finance Undersecretary Koning has led to a grotesque conflict. But already at the time of the general political review you remarked that a further reduction of labor cost increases could be negotiated. How does the situation stand now? Has some attention been given to this?

[Answer] The group chairman of the CDA really thought at that time that with the VVD not all the available leeway was being used for further discussion. And I believe that the VVD group chairman thought: "Let us wait and see how the ball bounces. If we do not come to an agreement, then the VVD and the PvdA may perhaps achieve something together." These possibilities were later discarded, and both groups suddenly stood naked in each other's presence. Most often, parties can work things out, but last week that did not seem to be the case.

[Question] You played an important role in the internal handling of the double-dipper bill. Why did you not intervene more swiftly?

[Answer] Again and again in recent weeks with Koning and Ruting I talked over alternatives and variants. Koning does not identify that much with this bill. All he wants is a solution with which both government groups can work. I tried to come up with a solution in several stages. First between Prinsjesdag | third

Tuesday in September] and the general review period, upon a request from the VVD group chairman. After that, during the general review itself, and finally ten days later, I again submitted a compromise plan.

I had to take note of the fact that at that moment there was no political willingness. The gentlemen obviously thought that they could get further by telling horror stories in the House. So I said: If there is no leeway to make proposals, then I shall make no proposals.

[Question] Then things had to come to a head.

[Answer] Yes, then things had to come to a head. And they did. Both group chairmen have now come to the conclusion that the attainment of a result of their own is absolutely impossible. I have thus received from both the promise to work up the political willingness to seek solutions.

[Question] Everyone had a good laugh. An atmosphere of crisis over 75 guilders.

[Answer] There was a crisis atmosphere, of course. If people say that they will vote against it, and if government officials say that in that case they are not going to be able to continue.... Of course that made for an atmosphere of crisis.

[Question] That is ridiculous, isn't it?

[Answer] Now listen a minute, group leaders have their own responsibility. When they want to have a good fight with each other, then everything stops. They probably first needed to establish the fact that they could not go on in this way. But ultimately they were indeed prepared to accept the compromise proposal of the cabinet.

[Question] That was not so good for the image of your cabinet.

[Answer] Politics always has to deal with two kinds of criticism. Sometimes it comes out as an assertion that things have been badly handled. At other times it is a criticism of in-house politics. Why, it may be asked, do the gentlemen not fight it out in the parliament? Now that that is happening for a change, we have to be aware of the reproach that that would not be such a good thing.

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(S2: 3614/33)

BRIEFS

DISCUSSION OF 1985 BUDGET--On Monday the government discussed the state budget for 1985, which forecasts a deficit of 310 million contos, it was announced yesterday by RDP (Antena-1). According to that station, the budget allocated 598 million contos to the Ministry of Finance, of which 270 million are for payment of interest and amortization of the public debt. One hundred sixteen million contos are stipulated for the Ministry of Education and 112 million for the National Public Health Service. The armed forces are allotted 78 million (the Ministry of Defense yesterday responded to an accusation by Lucas Pires that the budget of the armed forces is now higher than that of "the times of the empire"); local governments, 57 million and the Ministry of Internal Administration, 27.7 million (GNR [Republican National Guard] and the Police). The budget gives 7 million contos to the Ministry of Industry (of which 3 million are for the office of the SINES area, 34 million are for social security, 10 million for the Ministry of Foreign Affairs, 7.7 million for the Ministry of Commerce and Tourism, 5.6 million for the Ministry of Maritime Affairs (which, however, has 6.2 million contos earmarked for investments) and 1.4 million for the Ministry for Quality of Life. The Ministry of Public Equipment is allocated 14.3 million contos, however an amount of 46 million contos was established for spending in public works. [Text] [Lisbon DIARIO DE NOTICIAS in Portuguese 7 Nov 84 p 3] 8908

CSO: 3542/41

GONZALEZ ASSURED GREEK VETO IS NOT EEC BLOCKAGE

Madrid ABC in Spanish 6 Dec 84 p 13

[Article by special correspondent Cesar Lumbreras]

[Text] Dublin--Greece yesterday vetoed continued negotiations on expanding the EEC until the integrated Mediterranean programs are approved. This makes it highly unlikely, though not impossible, that Spain will be able to join the Community as scheduled on 1 January 1986. Felipe Gonzalez stated yesterday that he had received a letter from Papandreu telling him that there was no move to block Spain's entry.

The most pessimistic views have been confirmed by the hasty, last-minute official communique that the most recent summit meeting issued. The draft of the final conclusions that had been given to newsmen at noon Tuesday contained two paragraphs in which once again the member countries of the Community voiced their political determination to move ahead with membership for Spain and Portugal. The paragraphs were stricken later that evening, however, because an agreement could not be reached with Greece, which maintained its reservations (veto). Thus, for the first time in the recent history of European summits, the final communique of conclusions does not make reference to an expanded EEC.

Moreover, during their appearances before the media European chiefs of state sidestepped questions about the dates of membership for the two Iberian countries and merely made reference to the outcome of the upcoming European Council meeting in Brussels in March.

Relative Optimism

Nevertheless, there are grounds for relative optimism about the negotiations between Spain and the EEC, inasmuch as the internal accord that was reached on wine will enable the previously deadlocked talks to continue. Thus, over the next few weeks there could well be major progress, and pending issues might even be settled, though any agreements would still hinge on the Greeks dropping their objections.

EEC circles indicated yesterday that some member countries might put heavy pressure on Greece to drop its objections to the wine accord and to the expansion in general. They also recalled that Germany still links an expansion of the EEC's own funds to an increase in membership and that different member countries were always coming up with new obstacles to an expanded Community. We should recall, in this regard, the issue of fruits and vegetables, the increase in EEC funds, the return of the British check, the wine and now the integrated Mediterranean plans, the reason for Greece's objections.

As far as the timetable is concerned, we should bear in mind that if the signing of the treaty depends on the March summit, as various European chiefs of state suggested, then there are only 9 months left, including vacation time, to translate the treaty (a technically very complex undertaking) and to have national parliaments ratify it, for which emergency procedures would be necessary.

Spanish Reaction

The Spanish Government's reaction to the final outcome of the summit meeting was made public at its conclusion, after study by the Council of Ministers. The government spokesman indicated that "the Greek stand does not represent a blockage, but rather a reservation that does not hamper the progress of the negotiations." According to the government, this reservation is the sole reason why the final communique did not set forth the date of membership.

In addition, the council drafted a plan of action for the meeting that will be held in Brussels this coming 17th and 18th, at which new proposals on industrial goods and fishing are expected.

The Spanish prime minister commented that he was not too concerned about the Greek veto and that there was no danger of the membership dates not being kept. He said, nonetheless, that even if they are not adhered to, "I wouldn't go around rending my garments."

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CSO: 3548/63

STATE SECRETARY FOR COMMERCE ON EXPORT 'MIRACLE'

Madrid DIARIO 16 in Spanish 5 Dec 84 p 5

[Interview with Spain's state secretary for commerce, Luis de Velasco, by Rafael Rubio; date and place not given]

[Text] The state secretary for commerce is also astounded by the export numbers. The rebound in world trade and the movement of the peseta cannot by themselves explain their spectacular growth. In any event, Luis de Velasco acknowledges that the change that has occurred among Spanish businessmen has a great deal to do with the fine results.

[Question] Hasn't there been something of a "miracle" in the performance of our exports?

[Answer] If we accept that miracles exist, then we could say that there has, in fact, been something of a miracle in the performance of our exports. The most optimistic forecasts were that we could reach 7 or 8 percent growth, and right now we're over 20 percent.

[Question] What factors have come together to bring about this spectacular jump?

[Answer] The key factors have unquestionably been the trend in the peseta and the rebound in world trade. To them we would have to add the domestic recession itself, which has forced many businesses to look overseas.

Another very important factor has been the administration's economic policy. Its policies on exchange rates, the inflation differential, cost containment and the protection and promotion of exports have had a lot to do with the performance of our exports.

We should also bear in mind that we were starting from a very low level, which has made growth easier.

[Question] What's going to happen in 1985?

[Answer] World trade is going to grow less next year. The United States is beginning to show signs of a recession, and Europe offers acceptable prospects, especially the German economy.

I feel that if we achieve seven to eight percent growth in 1985, as the government is forecasting, we will have posted an excellent result.

[Question] Does the fine performance of exports mean that Spanish businessmen have learned to sell overseas or that the government is lending them a big hand so that they can be competitive.

[Answer] I have been working for 20 years in this ministry and I can say that there has been a major change in Spanish exporters. Spanish businessmen are heading overseas much, much more than the administration thinks. A large number of companies already know how to export.

We know what our role is: to help companies to export, to which end we seek to provide the most suitable framework. There has been a professionalization among businessmen and a growing professionalization of government as well.

[Question] What did Spanish businessmen lack previously in exporting: information, daring or suitable economic conditions?

[Answer] I think a little bit of all three, but especially the economic conditions, because in order to export you have to have an exportable item.

They have also been more daring and used their resources better, and they have gotten more information and assistance.

In a word, what must have been quite an adventure for most businessmen 15 years ago, no longer is. Today you can attend an international fair outside Spanish and, as I did in Riyadh, come across a hundred Spanish businessmen who speak English. This was not the case a few years ago.

[Question] Could we say that the funds that the government appropriates for exports are its most profitable investment?

[Answer] It's very hard to tell, but we can say that they are demonstrating their profitability today. Export growth is one of the reasons we have a surplus in our current account and in our balance of payments, which has led to an increase in foreign exchange reserves of almost \$5 billion. Moreover, exports are preventing more job posts from being lost in industry.

[Question] The main exporting effort has been on the U.S. market.

[Answer] A special effort has been and will be made there because in spite of the protectionist barriers, the U.S. market is the largest in the world, with imports of close to \$300 billion. We are devoting special attention to it along three paths. First, by earmarking one-fourth of the INFE [Export Promotion Institute] budget for this purpose, because it is the classical market for promotion, marketing and advertising. Second, by upgrading the five trade offices we have in Washington, New York, Miami and San Francisco and the auxiliary offices in Los Angeles and Chicago. And third, by undertaking bilateral negotiations in a bid to safeguard Spanish exports from the worst thing that could happen to them.

[Question] Are such protectionist measures going to increase in the days to come?

[Answer] I'm afraid they will. Government always lends more of an ear to protectionist calls during election campaigns, as has happened in the United States and everywhere else. Furthermore, however, some sectors of American industry, such as steel, are obsolete and have kept up the pressure after the election.

[Question] The drop in trade with Algeria is the exception for the country's export policy.

[Answer] Exports to Algeria used to total \$650 million, and this year we will close with a bit more than \$300 million.

The gas dispute has unquestionably hurt Spanish exports a great deal, but this is a very complex, difficult problem that goes beyond this State Secretariat. I hope that it can be resolved, but in any case the damage has been done, and it is going to take us a long time to repair it. It's a shame because it's an excellent market for us, nearby and with a very sound balance of payments.

[Question] Experience shows that the Latin American market is more of a dream than a reality.

[Answer] We have sought markets in Latin America, but so has everyone else. Latin America's total imports fell 30 percent last year and have dropped sharply this year as well.

Ten years ago our exports to Latin America accounted for 8 to 10 percent of our total, and this year they will be 4 percent. In any event, Latin America is a region to keep an eye on. There are already signs of a recovery in some countries, such as Mexico, where export indicators will begin to rise as of next year. [end of interview]

The Countries That Remain to Be Discovered

State Secretary for Commerce Luis de Velasco does not hesitate to assert that "the United States is the main area that has yet to be discovered." Right after the United States he mentions Canada, at which our main export efforts are directed at the moment.

The purpose of the trip that Luis de Velasco is now taking as the head of a 35-member delegation of Spanish businessmen is to discover an area with a strong growth rate but where few Spanish products are sold: the Far East. A trade office is going to be opened next year in Singapore, and the initial contacts have been made with Thailand and Malaysia.

In 1985 as well the State Secretariat for Commerce will undertake promotional activities in Japan, a better-known market but one that is very difficult to penetrate.

Our success in Angola, the country to which Spanish exports have increased the most (up fourfold), encourages continued efforts to expand our market in black Africa.

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CSO: 3548/63

MAJOR GALICIAN STRIKE AGAINST 'INDUSTRIAL DISMANTLEMENT'

San Sebastian EGIN in Spanish 30 Nov 84 p 9

[Text] Galicia (EGIN)--The general strike that was called yesterday in Galicia "against the industrial dismantlement" had a major impact in spite of what the INPG and the PCO, the strike organizers, called "the takeover of Galicia by law enforcement agencies."

The police pressure was most intense in Lugo and Orense, where employers had pledged not to allow the strike to go forward, because as Antonio Ramiro, the president of the Association of Pontevedra Businessmen, told a local radio station, "the Marxist rabble is stirring up Galicia." Galicia."

Whereas in Vigo and Ferrol the strike was 100 percent successful and no picketing was necessary, in the provinces of Lugo and Orense the pickets were monitored all day, and only one worker at a time, accompanied by several policemen, was allowed to enter the factories. At the close of his remarks, which were often cut short, the police asked the workers whether they had been coerced and wished to file charges. The strike organizers claimed that law enforcement agencies were acting as counter-pickets and using coercive tactics to try and reopen the plants that had been shut down.

As this article was being written, more than 100 persons had been arrested, 16 in La Coruna and 7 in Lugo.

In Vigo, a UPG [Galician People's Union] representative saw his car burned, and in the La Coruna town of Carballo store owners, armed with knives and clubs, drove information pickets out of the downtown area and tried to overturn a bus as the Civil Guard stood idly by.

In La Coruna, law enforcement agencies were "effectively" aided by the Municipal Police under the command of a socialist councilman. The municipal police agents used trained dogs, which bit Juan Lopez Alvarez, a member of the UGT [General Union of Workers] political secretariat, and Miguel Campuzano, a member of the INPG secretariat. The two were also arrested.

Law Enforcement Agencies and Misinformation

Misinformation efforts were effective during the general strike throughout Galicia, as most reports claimed it was restricted to shipbuilding when in fact maritime and farm workers were also involved.

The civil governments, the administration's delegate in Galicia, the Xunta and the UGT received much more news coverage throughout the day than strike-related incidents. Time and again it was erroneously reported that the strike was making its mark only in Vigo and Ferrol and that the situation was normal elsewhere in Galicia; facts and figures were cited about several companies that were said to be in operation when the fact was that only part of the committee and a tiny percentage of the UGT-affiliated work force had shown up. In addition, some of the companies that were said to be functioning normally had been under police surveillance from the night before.

These reports, which were contradicted time and again by the news media, made no mention at all of the fact that the Galician fleet had been totally shut down, that fish markets were closed and that there was no port traffic of any kind. The maritime sector is one of the many that have been hard hit by the administration's policies.

The third sector that joined the strike was farming, with the strongest protests occurring in Lugo and Orense.

Markets were closed in Lugo, and farm workers shut down the towns of Ribual Bovoç and Lavia. In Orense, farmers joined the protest demanding the preservation of Galician industry and called for employer contributions to the agrarian Social Security and for EEC membership. They also used tractors and erected barricades to block roads and railway lines to the villages of Verin, Carvallino and Ribadabia.

Pickets were almost unnecessary in Vigo. They showed up only at Citroen, which ground to a total halt, and Ramilo, which is owned by the president of the Confederation of Pontevedra Businessmen and where a front gate was broken down and work subsequently stopped.

Mr Ramilo stated that he would file charges for damages against the drivers of the cars and the secretaries general of the UGT and CCOO [Workers Commissions].

The rest of Vigo was completely shut down, except for a few municipal offices and some workers at the post office and RENFE [Spanish National Railroads], who worked behind closed doors under the watchful eye of law enforcement personnel.

The chairman of the RENFE shop committee said that "we support the strike but we have to work because they're forcing us to; otherwise they would fire us."

In the Vigo district, the entire Morrazo Peninsula was brought to a standstill, including the towns of Marin, Moanas and Cangas. Eloy Pena, the PSOE [Spanish Socialist Workers Party] mayor of Cangas, called a special plenary session at 11 in the evening the day before yesterday to take up the issue of support for the strike at the urging of the opposition. After being branded a fascist by the opposition, Pena tried to hurl an ashtray at them and then fainted, leading to a suspension of the session.

Porrino and part of Bal Minor were also paralyzed in this southern section of Galicia.

The strike was also strongly felt in Pontevedra, even though picketers were watched closely by police.

The main communication routes were cut throughout the province of Pontevedra from 6 to 7 in the morning, though the Civil Guard later managed to open them to traffic.

Complete Work Stoppage in Ferrol Too

In La Coruna the Municipal Police took the lead in cracking down, arresting groups of picketers, forcing shopkeepers to open and siccing their dogs on labor leaders.

Even so, the strike caused the complete shutdown of the bus terminal, almost totally closed the Adrela industrial park and brought the entire Santa Margarita shopping district to a standstill, even though some stores opened later when policemen asked owners why they were closed. The Municipal Police under the command of socialist councilmen and law enforcement agencies was effectively assisted by the Civil Guard, so much so that the secretary general of the ADG, Carlos Vales, who had been allowed to enter a plant alone to provide information, was arrested by the Civil Guard for coercing the workers.

Law enforcement agencies functioned as veritable counter-pickers in La Coruna, according to the union organizations.

In the province of La Coruna the work stoppage was almost total in Santiago, as only three buses escorted inside and outside by law enforcement officers made "minimum service" runs but did not pick up any passengers. The dean of the medical school also gave classes to 40 students, and a company in the industrial park operated part time.

The town of Padron and the villages on the Brabanza Peninsula were also totally shut down.

Employers and Police Take Action in Lugo

In Lugo, AD employers had stated that they were not going to close and would defend themselves. They did so, aided by law enforcement

agencies, which had already attacked an information picket the previous night. A large group of policemen followed the picketers the entire morning, forcing them to walk on the sidewalks. At 10 yesterday morning they attacked the pickets for the first time and did so several other times throughout the morning, even after they met with the civil governor, who asserted that he had not given such orders. As a result of these attacks, one worker had his collar bone broken and another his arm, while an 8-year old child had his arm broken as well.

Access routes to northern Galicia were closed off, and Monforte, Sarrio and Viodeire were totally shut down, although most workers showed up at Lemina, thanks to a show of police force, but not at auxiliary firms.

Other towns in the province were shut down too, as were leading companies such as Frisa, Ural, Fabricia, etc.

The strike did a so-so job at closing down businesses in the capital.

Impact on Orense Province

As we reported previously, in Orense Province farm workers saw to it that the strike got support in the main towns. In the capital city of Orense the industrial park shut down, except for Citroen, and work stoppages were erratic in the downtown shopping district, which was being tightly patrolled by law enforcement personnel as in the other provinces.

The strike was notably successful in the Baldorra district.

Demonstrations

There were several demonstrations throughout the day as well, the most important ones in almost all the major cities such as Vigo and Ferrol. Farm workers also demonstrated in several towns.

The Spanish Communist Party sent Secretary General Gerardo Iglesias to Vigo. It also sent Curiel and Julian Ariza, the latter ultimately speaking up as a CCOO representative and singing the praises of the constitution "because it allows for planning of the economy."

The INPG leaders told EGIN that as of today "actions will take a quite different course, one much more like Euskalduna."

8743

CSO: 3548/64

INCENTIVES, OVERSIGHT HIGHLIGHT EXPORT TAX REBATE

Istanbul DUNYA in Turkish 3 Dec 84 pp 1,9

[Text] Ankara--Work is under way to replace the export tax rebate system with an implementation that will "increase the effectiveness of incentives and facilitate easier oversight."

According to the formula that is being worked on, all tax rebates that are currently in effect will be eliminated beginning in 1985. The tax rebate system will be replaced by a new refund system within the framework of the Value Added Tax [VAT] Law, which will go into effect on 1 January 1985. In addition, compensation paid to exporters from the interest differential refund fund will be increased and will be given a new form.

The general tax rebate system aimed at boosting exports was reorganized into a more restricted form at the beginning of 1984. The Ozal government modified the general tax rebate system and authorized a 20-percent payment in April and the payment of the 55 percent of the balance in September. The tax rebate rates were readjusted in the interim according to the projected state of the exports. It was eventually concluded that tax rebates have lost their effectiveness. Work has now been intensified to formulate a "simpler and more effective" system in tax rebate procedures which have become chaotic as a result of a series of interim measures. The new formula is based on the following principles:

If the formula currently under consideration is approved, beginning in 1985 the general tax rebates paid to exporting firms will be replaced with VAT refunds. The VAT refund will apply to export deliveries and auxiliary services related to these deliveries. In this refund system, which will be based on the VAT Law, the following principles will apply:

If a product that will be exported is processed or is in any way increased in value by the buyer or by Turkish firms representing the buyer, the product will continue to be considered as an export item.

To qualify for VAT refunds, it will be sufficient to deliver the export item to buyers which are based abroad and which have work places overseas or to the foreign representative offices of domestic firms.

Experts from the Ministry of Finance and Customs are working to determine the method by which VAT refunds will be paid to exporting firms. The issue of the

payment method, which is expected to be announced by a directive this month, is also being studied by the Money and Credit Council. The refund system endorsed by the Ministry of Finance and Customs is as follows:

The exporting firm will first fulfill its VAT liability. According to the envisaged system, every month the firm will pay VAT on actually exported goods within a specified period. Later, the tax the firm has paid will be refunded by the appropriate tax office. Most probably, no minimum sale limits will be set to qualify for VAT refunds. In other words, exporting firms will qualify for VAT refunds no matter what the quantity and the value of their exports are.

It is also envisaged to introduce a new scale governing the export incentive payments from the interest differential refund fund. According to the formula currently under study, refunds made with respect to current interest rates applied to export and export preparation credits will be revised. If this approach is endorsed, around 6 percent of the current interest rate applied to credits offered to firms for export operations and export preparations will be refunded to "exporting capital firms," and 75 percent will be channeled to small and medium size firms.

9588

CSO: 3554/56

ULAGAY LOOKS AHEAD TO 1985 EXPORT, INFLATION BATTLE

Istanbul CUMHURİYET in Turkish 3 Dec 84 p 9

["Economic Notes" column by Osman Ulagay: "1985 Goal: Exports or Combatting Inflation?"]

[Text] The fact that 1984 was not at all successful from the standpoint of combatting inflation is acknowledged even by practitioners such as Ekrem Pakdemirli, who was "assigned" to this task, and former practitioners such as Yildirim Akturk, who has made no secret of his proximity to the government. Pakdemirli says that by the end of 1984 inflation will reach "44 to 45 percent no matter which index is taken as a basis" and that it "can be reduced to 25 percent if the government abides by the budget it has drawn up." Meanwhile, Akturk says that "an inflation rate of 30 percent may be targeted for 1985 provided that a very tight budget and cash management is implemented." Akturk also does not forget to mention that the issuing of treasury bonds bearing 50 percent interest is not consistent with the administration's stated goal of 25 percent inflation. On the other hand, both Pakdemirli and Akturk agree that 1984 was a successful year for exports.

"Inflation" and "exports" were the two most intensely debated issues at the 2-day seminar organized jointly by the Izmir Chamber of Commerce and the Izmir Chapter of the Alumni Association of Istanbul University's School of Economics. The causes of inflation and the growth potential of exports were examined in detail in these debates which featured, in addition to Pakdemirli and Akturk, academicians such as Professors Tansu Ciller, Demir Demirgil, Erdinc Toksoz, Feridun Ergin, Taner Berksoy and former practitioners such as Professor Cafer Tayyar Sadiklar.

In these debates, the primary causes of inflation were seen as: 1) The rapid devaluation of the Turkish currency particularly against the U.S. dollar; 2) Price hikes stemming from rapid devaluation and imported raw materials which were reflected on virtually all products; 3) The government's failure to implement a sound budget policy and the resulting large budget deficits; 4) The government's failure to implement a genuine "tight money" policy for most of the year; and 5) The adverse effect of high interest rates on costs and consequently retail prices.

On the issue of exports, the academicians notably did not concur with the optimism of Pakdemirli and Akturk for the future. While Professor Gulden Kazgan insisted that a Turkey that cannot increase its domestic resources

cannot increase its exports, Dr Seyfettin Gursel stated that exports to Middle Eastern countries, in particular, have reached a saturation point. Dr Canan Balkir said that from now on exports can only be boosted by productivity and production gains. One point on which everyone agreed was that 1984 was a successful year for exports and that the rapid devaluation of the Turkish currency was the principal factor in this success. As export incentives like tax rebates are scaled back, currency exchange rate policies are expected to continue playing a favorable role in the coming years.

In fact this was probably one of the most important conclusions that emerged from the interesting and lively debate in Izmir. The currency exchange rate policy that was seen as one of the most major elements of the failure in the battle against inflation was also shown as the most important factor in the success on the export front. The rapid devaluation of the Turkish currency has impeded the battle against inflation while spurring exports. Thus, the task at hand is a choice--at least in exchange rate policy--between "halting inflation" and "boosting exports."

The Ozal government's statements to the contrary notwithstanding, it is now evident that it made its choice in favor of exports in 1984. The government, which knows the importance overseas of showing a significant improvement in the balance of payments, emphasized exports, and, as a result, the battle against inflation was treated as a "stepchild" for a long time. In the end, the dollar value of exports rose by 25 percent while inflation, which was supposed to drop to 25 percent, could not be reduced to less than 45 percent.

What will happen in 1985? Which option will be chosen?

The Ozal government's pledge "to scale back inflation" is the mainmast of its economic as well as social policy, and the degree to which it fulfills this pledge is seen as the most important indicator of its success or failure. Meanwhile, it appears that 1985, when a heavy foreign debt payment will be due, will be a difficult year from a standpoint of balance of payments.

Given these conditions, making a decision over exchange rate policy in 1985 will not be an easy task. However, it appears that swelling discontent at home will force the government to think about inflation rather than exports next year.

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MIXED REACTION TO FREE MARKET TRANSITION

Istanbul CUMHURİYET in Turkish 3 Dec 84 p 9

[Report on Development Strategies Seminar by Nilgun Uysal: "'Private Sector is Greatest Obstacle to Free Market Transition"; date and location not given]

[Text] Ali Kocman, chairman of the Turkish Businessmen's Association, said, "The private sector has never had a serious reaction to planning. Planning can be used as a good instrument for guidance and keeping informed in free market economy conditions. The private sector has made its greatest progress in the planned period."

The panel held on the second day of the "Development Strategies for Turkey" seminar, sponsored by the Economic and Social Studies Conference Delegation, witnessed an interesting debate.

Professor Asaf Savas Akat, who said in reference to the present government, "These men are not conducting a transition to a market economy," insisted that Turkey has long had, and has today, a "command economy."

Akat, in explaining his ideas on a command economy, was quick to comment on Kocman's assertion that "the private sector has made its greatest progress in the planned period:"

"The greatest obstacle that the free market economy in Turkey must surmount is the private sector which Mr Kocman represents. The private sector has always opposed the market. Why should it oppose planning that in the past has offered it every possible incentive?

"So who would best convert Turkey to a free market economy? The social democrats, of course.

"There is no such thing as Ozal's switching to a market economy. He has no intention of doing so."

Professor Akat said that the essential focal point in Turkey was "growth" and it was impossible to achieve this goal as long as domestic savings, which are at the 15-percent level today, fail to rise to 25 percent. Another panelist also supported Professor Akat's views on the command economy. This was former minister of finance Kemal Kurdas.

Kurdas said that foreign exchange rates, interest and even wages were being managed by the state and insisted on the need to establish a more economical, less expensive state mechanism.

Professor Erdogan Alkin said that the economy was not the only determining factor, that other, more important cultural factors could play a role in the future of societies. "Great woes have always awaited countries where no renaissance has occurred," he said, "When there has been no consensus on democracy in society, there has been trouble for the economy also."

Public Must Be Fully Informed of Facts

Noting that "democracy is the regime of openness," Professor Akin said that the public must be fully informed of the facts, even if they were unwelcome, and that it would be considered a success if inflation were to be 35 percent for the year.

In reply to Asaf Savas [Akat], who had begun his comments with a reference to "your crowd," Ali Kocman said that "the best thing about the command economy for the social democrats would be the changing of the guard, then they would not complain so much about making money."

Kurdas, supporting Professor Akat's views on the command economy, said, "I welcome the acceptance of the market economy by the social democratic movement."

8349

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EXAMINATION OF EXPROPRIATION IN LAND REFORM POLICY

Istanbul DUNYA in Turkish 3 Dec 84 p 1

[Editorial in the column "Daily": "Implementation of Agrarian Reform"]

[Text] It looks as though the Agrarian Reform Law, which goes into effect upon publication in the RESMI GAZETE, will lead to numerous conflicts in implementation. Also, should the need be felt for any form of public expropriation of privately-owned lands, it seems inevitable that the expropriation procedures will drag on for years.

According to the law, for privately-owned lands to be expropriated, they must be large enough to bring an agricultural income of 10 million liras. Such a criterion may lead to conflict in every case of expropriation. Controversy over whether land left to its owner would bring agricultural income of 10 million liras will extend into the courts.

Moreover, the law requires payment of expropriation compensation in advance. In this regard, it has only been through installment payment that it has been possible to afford the large energy and irrigation projects, reforestation, coastline protection and expropriation for tourism purposes. In expropriation for land reform, however, payment in advance has been adopted in principle because of the lack of a special provision.

Bearing in mind Turkey's budget resources, one must assume that in expropriation for agrarian reform either no thought was given to these matters or the risk was taken of having this matter drag on for years.

Professor Ilhan Oztrak, who has devoted his ministry since 12 September especially to the topics of land and agrarian reform, reviewed these features of the law, and his subsequent judgement is interesting. "It is impossible for an agrarian reform to be realized with this law. This law will result only in making a gift of Treasury lands to large landholders or people who are already wealthy," said Professor Oztrak.

Professor Oztrak also draws attention to the return of previously expropriated lands to their owners. The former owners of these lands, expropriated nearly 10 years ago, must be recompensed for these properties at their present value.

Finally, proceedings brought by the Treasury to regain lands which were given to landless farmers years ago, but which were turned over in form to others in violation of the regulations because they had gained excessive value due to urban growth, seem doomed to failure. Still, these lands whose current value is measured in the billions changed hands illegally and apartment buildings and factories have been built upon them.

Professor Oztrak thinks it normal to protect the facilities existing on these properties, which have lost their agricultural qualities, even though they were built in violation of the law, but insists on the need also for protection of Treasury property and interests.

8349

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KNOOPS ON NATURAL GAS, ELECTRICITY PRICES, FUTURE OF COAL

Brussels LE SOIR in French 15 Nov 84 p 7

[Interview with Etienne Knoop, secretary of state for energy, by Janine Claeys, Guy Duplat, and M. Vanden Driessche; date and place not specified]

[Text] Etienne Knoop does not mince words. He likes to attack his pet hates without letup (just think of DISTRIGAZ) and to patiently push his pet projects--such as nuclear energy. In the interview he granted to us--we will publish the portion concerned with PME [Small and Medium-Sized Businesses] in upcoming editions--he also asked the electricity producers to lower their rates to stimulate demand--which probably would also ensure construction of another nuclear powerplant in Doel. As far as a coal-fired powerplant in Limburg is concerned, Knoop considers it too expensive and unreasonable from an economic point of view.

[Question] You are secretary of state for energy but also a Liberal. Aren't you bothered by the way the government has leaned on energy prices to avoid indexation?

[Answer] I take full responsibility for the measures adopted. As Raymond Barre used to say: yes to a liberal policy but no to a crummy liberal policy. In a situation where monopolies exist, there have to be price control mechanisms.

[Question] But the consumer will not benefit for long, will he?

[Answer] Not in the case of petroleum prices, that is true. But as far as gas and electricity are concerned, there will be rate reductions. Let us talk about gas first. The price of gas has risen by 32 percent over the past 3 years, while the price of gas oil for heating has risen by only 11.8 percent. So it was necessary to shake up DISTRIGAZ, which has a monopoly on gas distribution. That firm was keeping bad contracts in force and making profits on top of that. But when things started to get cute was when DISTRIGAZ obtained a reduction on 500 million cubic meters of Dutch gas in order to save our nitrogen industry. We had to argue with DISTRIGAZ for a long time to keep it from grabbing a profit of 680 million francs on the deal.

There is also the renegotiation of certain gas contracts that is currently underway. The Dutch said they were willing to lower their prices, but that is not yet enough. The DISTRIGAZ firm's renegotiation of its Algerian contract for 1984 and 1985 had relatively disappointing results. As far as the period after 1986 is concerned, it seems to me that the importance of that renegotiation with the Algerians--as regards not only the price and quantities of gas but also the volume of our trade with them--will require negotiation at a higher level than that of the companies involved.

Replace a Losing Team?

[Question] Are you still holding that grudge against the DISTRIGAZ managers?

[Answer] I maintain that the present situation is dangerous. The government decided a year and a half ago to replace the management of DISTRIGAZ, but nothing is happening because of the SNI (National Investment Company), which is continuing to block the change. There is an adage in English which says: "Never change a winning team." It appears that in Belgium's case, that becomes: "Never change a losing team," because the people currently conducting those renegotiations are the same ones who are responsible for the mistakes of the past.

[Question] Let us talk about electricity. Can we also expect reductions in electricity prices?

[Answer] We have already obtained a small reduction for the consumers. It will continue in force and even be extended. It will reach all categories of the population. In total, for the first half of 1985, that reduction will amount to 1 billion francs. But that is not all: there also ought to be greater flexibility in rates so as to keep the electricity supply more in line with demand. Using appropriate rate reductions, we want to encourage firms and individuals to consume more electricity outside the peak hours. We are also proposing improved electricity rates for the PME.

[Question] But all of that will cost the electricity producers a lot.

[Answer] We want them to pursue a more voluntaristic policy and to lower their rates in advance, like a company that is launching a promotional campaign. The electricity producers must make offers that will stimulate industrialists to consume more electricity, because that will mean more industrial production and therefore more jobs.

[Question] You seem to be implying that this sector is accumulating big profits. After the anger caused in those firms by your bid for power on the supervising committee for gas and electricity, aren't you in danger of getting a blunt refusal?

[Answer] The temporary bad humor on the part of a few will soon dissipate. I am not saying that the electricity industry is poorly managed--on the contrary. But might it not be a little too cautious? To use a comparison with highway behavior, it is certainly driving on the right side of the road, but it is not exceeding 70 kilometers per hour on the freeway.

[Question] There is also the problem of electricity being cut off--a problem that is very disturbing to the organizations that help the poorest sectors of the population.

[Answer] I believe, first of all, that the phenomenon in question must be seen in perspective. I conducted a survey, and it turns out that service to 33,184 customers was cut off in 1983 because they did not pay their electricity bills. But in the great majority of cases, service was restored very rapidly. At the end of 1983, there were only 5,232 customers who were actually without electricity, and that is 0.17 percent.

I don't believe that one can force suppliers to deliver a product when they know it will never be paid for. The problem has become more important since the crisis in the Public Centers for Social Aid. They are experiencing increasing difficulty in helping serious cases. But that is where the help must come from--not from the producers.

[Question] Let us stay on the subject of electricity. You are asking for a stimulation of demand. Is the purpose to improve your chances for selling the idea that we must decide now to build a new nuclear powerplant in Doel?

[Answer] I am waiting for the next equipment plan, which should reach me at the start of 1985. I maintain that a decision to build Doel 5 is necessary immediately. The figures are there. The price of nuclear electricity is clearly lower than that of electricity produced by a coal-fired plant. All the more since the EEC will certainly force us to install a smoke desulfurization system in a new coal-fired plant, and that will make the price of electricity from that source very, very high.

[Question] So you are flatly rejecting Limburg's request to decide first and foremost in favor of a coal-fired plant?

[Answer] It has not at all been proven that such a plant is needed. And I warn those trying to extrapolate a need for two powerplants--one nuclear and the other coal fired--from the figures showing a current increase in electricity consumption (up 4.5 percent over the past 12 months). We must not pass abruptly from black pessimism, in which everyone was talking about stagnating demand, to exaggerated optimism.

No to Limburg?

[Question] But last Friday in the House of Representatives, the Flemish members unanimously requested aid for Limburg, did they not?

[Answer] I don't believe that a parliamentary assembly takes much notice of economic data. I believe that it would be a serious mistake from Limburg's standpoint as well to place political considerations above economic requirements. All the more since Limburg's steam coal is already being burned in our powerplants. A new powerplant in Limburg would burn imported coal and would not create more than 50 jobs.

[Question] But the Flemings are also asking for a guarantee that their coal will be used by the powerplants, are they not?

[Answer] There is a contract guaranteeing that 2.1 million tons will be bought by the end of 1987.

[Question] At a price that will be the market price beginning on 1 January 1986. Will payment of a premium for coal from Campine be out of the question later?

[Answer] Paying more than the right price will be out of the question. And I feel very comfortable in proclaiming that--it is the very same recommendation being made by the European Community itself, which advocates true prices in this connection.

[Question] You are being tough on the Limburg mines.

[Answer] It must certainly be recognized that we do not need to keep those mines open for reasons of energy policy. France, Great Britain, and the FRG have undertaken sizable programs for reducing their capacity. In that context, thinking that Belgium can pursue a different policy all alone reminds me of certain speeches by steel union leaders that made a number of Flemish politicians howl--and with good reason. That being said, it is true that there is a big social problem in Limburg. It will be another 1.5 or 2 years before the current finance package runs out. It is time for everyone to think about what will happen after that.

[Question] Do you mean that financing will no longer be national after that?

[Answer] Yes. Future financing will be the responsibility of the Flemish Region.

[Question] But there is talk of "bartering" renewed financing for the mines in exchange for helping Verlipack, Tubemeuse, and Cockerill-Sambre.

[Answer] I am not a member of the "ministerial steel council." But in our current economic and social situation, a deal of that kind would be very dangerous.

[Question] Belgian industrialists are hoping to obtain an architectural and engineering contract for nuclear powerplants in Libya. What is the situation in that connection?

[Answer] We are consulting our European partners on that subject. We are asking them first of all what they think of possible Belgian participation in that contract and also what they would do if we gave up on the contract: would they take our place or not?

[Question] Have the Libyans set a deadline for a response on our part?

[Answer] There is no deadline, but the answers from our partners should not be too long in coming.

IMATRAN VOIMA CHIEF COMMENTS ON INCREASED POWER DEMANDS

Helsinki HELSINGIN SANOMAT in Finnish 20 Nov 84 p 21

[Article: "Nuclear Power and Rain Drive Imatra Power]

[Text] The state-owned electric company, Imatra Power (IVO), has in the first part of this year fared as well as in the previous year or exceptionally well. According to Managing Director Kalevi Numminen's report for January--August, more electricity has been sold than ever before and the conditions for producing it by means of water and nuclear power have been very favorable.

The economic upswing in Finland has increased electric consumption by nearly 9 percent in comparison with the beginning of 1983. Consumption for the first 8 months in Finland was 31.1 terawatt hours. IVO sold 13.9 terawatt hours of this amount, which was an increase of 7.3 percent over last year.

Of the electricity sold by Imatra Power 11.2 terawatt hours consisted of fixed sales and 2.7 terawatt hours were comprised of spot sales. Spot sales always occur when Imatra Power is able to produce electricity advantageously. Finland's electricity producers have reached an agreement on a so-called joint use of power plants, according to which the parties are obligated to purchase electricity from each other according to the least expensive principle.

An excellent year for precipitation and the uninterrupted operation of nuclear power plants have kept Imatra Power's productions costs favorable. This is the fourth year in a row that Imatra Power has had an exceptionally good precipitation year. However, Numminen says that the amount of rainfall for the remainder of the year will be less than last year.

The situation has also been improved by the fact that rainfall has also been abundant in Sweden. Electricity has been obtained from there also at favorable prices in accordance with an agreement between the Nordic countries. Imported electricity from the USSR has been worked out without any problems.

Imatra Power increased its thermal sales 17 percent in the first part of the year.

The price of Imatra Power's electricity will, for the most part, remain realistically at last year's level. Several tax increases have brought pressures on

the price. The tax on electricity has been increased two times and the equalization tax on imported electricity has been increased once. Together they mean an increase of a penny per kilowatt hour. In April Imatra Power reduced its own price.

A few days ago Imatra Power, for its part, announced an increase in wholesale prices of 1.2 pennies per kilowatt hour beginning January 1. Imatra Power's current wholesale price is 16.7 pennies per kilowatt hour.

According to Numminen, Imatra Power's various consulting and research projects have progressed well and some even better than expected. Imatra Power will spend 60 million markkaa on research this year. The corporation's sales turnover was nearly 3.5 billion markkaa last year.

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CONSUMER HIT BY FUEL CONSUMPTION TAX, PRICE HIKE

Istanbul CUMHURIYET in Turkish 3 Dec 84 pp 1, 11

[Text] Ankara (CUMHURIYET BUREAU) - The government has again surprised everyone by "blending" the liquid fuel price hike with a new tax. The consumer, happy a day ago thinking "no price hike," was jarred yesterday morning by a 6.4 percent hike. With the \$1 monthly increase amounting to 4 percent, the fact that the price hike rate is 3 percent higher than that means retail prices are being "absorbed" by the Liquid Fuel Consumption Tax.

How the new price hikes were to be applied forced all dealers to spend the day yesterday trying to find official word. Many dealers refused to make sales after the morning because no official announcement was made. Some sought help from the newspapers, but were able to set a price and resume sales after learning from 13 radio broadcasts that each dealer would be able to make his own stock declaration.

The "tenth liquid fuel price hike," the most confusing one made by the Ozal administration whose first year in office is coming to a close, brought an extensive reaction from everyone, from consumers to party spokesmen. Party spokesmen who made statements about the "Ozal-method price hike" said, "It is not consistent with the dignity of the state."

While it was expected that the 6-percent Consumption Tax passed by the Assembly last month would be reflected in liquid fuel product prices, Seyda Odyakmaz, deputy under secretary of the Ministry of Energy and Natural Resources said in a statement to ANADOLU AGENCY on Wednesday, "The price hike will not carry over to the consumer. The newspapers have it wrong. The tax is being imposed on the refineries." The previous evening's 2030 news had reported that the liquid fuel consumption tax "will not be carried over to the pumps." When the consumer woke up in the morning, however, the price hike had already hit.

However, everyone was confused by the "price hike" communique published in the RESMI GAZETE yesterday morning by the Ministry of Energy and Natural Resources. Even though some who have been waiting in long lines at gas stations since Wednesday to fill their tanks came out ahead, the consumer is inconvenienced by this.

Dealers who read reports about the oil price hike in yesterday morning's papers waited a long time before setting a price. People who wanted to fill their tanks Sunday morning returned home empty handed from stations where dealers refused to make sales because of the uncertainty.

Considering that the Turkish lira has lost 4 percent of its value against the dollar since last 29 October and that yesterday's price hike was 6.2 [as published] percent, the liquid fuel consumption tax does have a share in the price hike, in that this tax has had a de facto carry-over to the consumer after a day's interval. While the previous price hike was at a rate of 4-4.5 percent, dollar sales were running only at 5 in 1,000 during the same period.

Energy and Natural Resources Minister Cemal Buyukbas contended that the liquid fuel consumption tax did not reflect on consumers. "Otherwise, it would have been 12 percent, not 6 percent," he said. Insisting that the hike was 5.8 percent instead of the 6.4 percent announced on radio and television, Buyukbas noted that the increase occurring in the dollar rate of exchange since the first of the year was more than 50 percent while this rate was 49 percent in the tenth liquid fuel price hike and said:

"It was announced on the radio that the liquid fuel consumption tax would not carry over to gasoline prices. I did not hear it, but that is what was said. That is, it was said that this tax, the 6 percent Liquid Fuel Consumption Tax, would not carry over to retail prices. It did not. Otherwise, the difference would have been 12 percent. Both would have occurred on the same day, each with a day's interval."

Nationalist Democracy Party General Chairman Turgut Sunalp said about the new liquid fuel price hike, "So far, what the administration says and what it does have been in conflict."

Populist Party Deputy General Chairman Gunseli Ozkaya said, "The government has once again failed to keep its promise to the people." He explained: "Less than 24 hours after promising the people that no price hike would be made on petroleum products owing to the liquid fuel consumption tax, the government raised the price. This is like an April Fool's joke that makes one wonder about the seriousness with which the state is being run."

Correct Way Party Deputy General Chairman Mehmet Golhan said the hike had been "embellished with an unfortunate statement," adding, "It is unbefitting the state to make such a declaration and is such as to jeopardize the citizen's trust and confidence in the state. If only the announcement had not been made on radio and television."

Correct Party General Chairman Yildirim Avcı said that the oil hike was "an indicator of what the citizen would suffer in 1985."

BRIEF

FISHING AGREEMENT WITH NORWAY--Yesterday, the state secretary of fishing disclosed that Portugal will resume cod fishing in Norwegian waters after a 10-year ban. Portugal now has fishing quotas in the Exclusive Economic Zone of Norway for 4,000 tons of ordinary fish (specifically, red fish) and for 500 tons of cod. The state secretary commented: "However, we have a possibility of keeping five vessels permanently fishing in the Svalbard zone (a maritime area north of the Norwegian EEZ), where there is mainly cod fishing; and this is besides the quotas." [Text] [Porto O PRIMEIRO DE JANEIRO in Portuguese 7 Dec 84 p 1] 2909

CSO: 3542/71

PROBLEMS ON CLEANING UP NORTH SEA EXAMINED

Brussels LE SOIR in French 12 Nov 84 p 5

[Article by Jean-Paul Collette]

[Text] Bremen, Nov--It was useless. Neither the alarmist report by the director of the ornithological institute of Helgoland as a prelude to the preparatory conference in Wilhelmshaven, nor the troublesome figures revealing the pollution of the German bay, nor the Green wave of all the *Lander* urging on the least *Grunen* representatives in Bonn, led by Minister Zimmermann: The *Realpolitik* at the conference devoted to the situation in the North Sea was not that of Germany. None of the hard-line positions of the Germans was adopted in Bremen.

Does this mean that the other countries on the North Sea have their heads in the sand? "Not at all," corrects one Belgian expert. "The report on the quality of the water gives a rather good picture of the North Sea on the whole. However, local problems are serious...."

The term "local" in this context covers a complex situation, especially as regards Germany. Where are the greatest oxygen shortages? In the German bay, northwest of Helgoland and offshore from Sylt. And where is the heaviest pollution by rivers (with the exception of the Rhine and the Meuse, 50 percent of the river deposits)? Detected near the German estuaries, where the hydrocarbon content is the highest. It is also Germany that deliberately dumps the most titanium dioxide waste directly into the sea, an industrial scourge and a bad habit common to all West European countries.

In the Federal Republic especially, political motives take the place of and expand upon physical causes. The rise of the *Grunen*, which seems inexorable after the Flick scandal and which the Bade-Wurtemberg municipal elections have confirmed, forces all other groups to take ecological concerns into account. The Bonn delegation to the conference on protection of the North Sea mainly feared going back to the capital with its hands empty, the co-signer of meager declarations of intentions! The minister of interior, who also handles environmental questions for the Federal Government, also devoted a long visit to the "Save the North Sea" exhibition organized in the old City Hall of the Hanseatic city.

It was a quite curious exhibition that brought ecologists and industrialists together, along with the most sophisticated technological means developed by the authorities (such as very interesting boats equipped with oil vacuums) and the demands of friends of the birds. Management and owners as such had a booth and distributed brochures in which they stated their good will. "We have achieved such technical innovations, set up such-and-such a kind of filter, spent so many million marks to clean up our waste water...." Long live Green pressure!

Despite this generally biased wave, official circles, which remember the anti-nuclear demonstrations and confrontations around the Frankfurt airport, still consider the ecologists as potential troublemakers, sometimes bold, sometimes insane. On 31 October and 1 November in Bremen, the conference bringing together ministers of the environment was the object of security measures worthy of a summit conference of chiefs of state: Part of the Marktplatz was a forbidden zone, a system of passes isolated the conference building, riot squad police cars faced some 20 inflatable plastic dolphins set up by Greenpeace, and so on.

Belgium, Controlled Immersion

The German positions were beaten down in Bremen, where they gave way to a solid realism imposed by the Belgian delegation. A number of positions were successfully defended by the latter thanks to the experience of its experts. "Please look at the data gathered by the monitoring program set up as part of the Oslo and Paris conventions," they said. "Generally speaking, when concentrations of pollutants exceed ocean averages, they remain under standards defined by these conventions. To set up a special zone in which any dumping would be banned would mean jumping on a bandwagon."

The experts serving on the staff of Firmin Aerts (Ed. Note: a staff without administration) go further, believing -- and they have so stated to the other delegations in Bremen) -- that one must link the definition of emissions standards (at the sources of pollution) to the quality of the environment concerned (ocean, rivers and the atmosphere). That the relationship between the two must be the subject of management, simulations, projections. They cite as an example their own "mathematical model of the North Sea" which, in transmitting precise data, results in the drafting of a coherent policy. Belgium thus argues for the creation, in countries on its shores, of a North Sea Planning Office that would adapt measures and standards to special ecological situations. It is a pluridisciplinary view that astonished, if not enticed, partners with more traditional conceptions.

Why, the Belgian experts even suggest in a whisper, should we not take advantage of the characteristics of the waters in our part of the North Sea and proceed to use controlled immersion? The dispersion capacity of the waters in those areas, which is much higher than off the coast of Germany or Jutland, would authorize some dumping. "This is a resource to be managed," the Belgians say. The idea seems to have "passed" with other North Sea countries enjoying the same conditions.

But the suggestion was merely lip service, made out of fear of a strong reaction from public opinion. "They will certainly accuse us of being in the pay of industry," one Belgian negotiator bitterly remarked. "As far as the environment is concerned, it is no longer possible to take up certain subjects, to pronounce certain words, in a calm manner. There is the notion of radioactivity, for example. The factor of emotion plays an increasing great role in decisionmaking."

Precisely. There will be no lack of observers and ecologists, whether or not they are involved, asking whether Belgium, despite its original positions, has not minimized the problems of pollution caused by its policies, its industries. Questioned by us, experts on Aerts' staff recognized the existence of three black spots: the presence of cadmium in the Scheldt, the presence of PCB's (chemical plasticizer) in certain ocean fish; the presence of mercury in sediment from the Scheldt.

In addition to these "local" problems, there is the titanium dioxide dumped, constituting 90 percent of the industrial waste deliberately dumped by Belgium. This dumping is done by the two producers themselves, the firms of Bayer of Anvers and N. L. Chemical (formerly Kronos) in Ghent, which send their garbage boats several times a week 40 kilometers off the island of Walcheren. The south-north current carries these thousands of tons of liquid mud north of the Netherlands, the Wadden Sea, already threatened, Friesland. A gradual reduction of the titanium dioxide dumping in the EEC, thanks to existing technical solutions, is being studied. It is high time: The North Sea reportedly receives some 3.3 million tons of titanium dioxide a year!

Save the Seals!

Actually, the countries on the shores of this vital continental sea seem confronted with a political choice between what we would call technocratic realism (controlling, not becoming alarmed, solving the so-called "local" problems) and an extremism that has more to do with elections than generosity and that is inapplicable, whatever the case. The two camps no longer speak the same language. An example? The heavy losses of salt water bird populations. In a report used as an introduction to the Wilhelmshaven conference, the director of the Helgoland ornithological institute blames pollution, especially hydrocarbons, for the tens of thousands of deaths counted in the waters of the German bay. Experts in Bremen, including Belgians, prefer to blame the viral infection that has struck birds throughout the North Sea and note that more dead birds are probably counted because their absolute numbers have simply increased.

The "real" ecologists and the defenders of nature scarcely like these theoretical debates, as one can well imagine. They do not accept the fact that the most disturbing of the local problems are cast aside in the search for overall satisfaction. They reject a cold observation such as the following, found in the note from the German Government entitled "Condition of the North Sea": "Most of the declines in the abundance of aquatic mammals observed have been

the result of direct killing by man, with the exception of a seal population affected by PCB's in the Wadden Sea."¹

"Save the Wadden Seals!" respond posters displayed throughout North Germany.

¹ According to a study quoted by Greenpeace, a third of the Wadden Sea seals now suffer from serious afflictions due to chemical substances.

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